

Conrad N. Hilton Foundation

The Hilton Legacy
Serving Humanity Worldwide

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Serving Humanity Worldwide

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“Enthusiasm is an inexhaustible force....
Use it and you will find yourself
constantly moving forward to new
forms of expression.”

CONRAD N. HILTON, *Be My Guest*



▲
Conrad N. Hilton (1887-1979)

My Father, Conrad N. Hilton: The Man and His Gift to the World

BY BARRON HILTON



◀
Barron Hilton

Conrad Nicholson Hilton was a giant. His record of achievement in business was so remarkable that the name Hilton has become synonymous worldwide with the word “hotel.” The hotel empire he founded 90 years ago, although no longer under the leadership or control of the Hilton family, still encircles the globe. In addition to his business, Conrad Hilton became highly visible as a patriot, international statesman, and ambassador of goodwill

as well as a philanthropist. Throughout his lifetime, he was always genuinely concerned for the less fortunate and needy. His Last Will begins: “There is a natural law, a Divine law, that obliges you and me to relieve the suffering, the distressed and the destitute.” A man of compassion and charity during his lifetime, he left virtually all of his wealth to the Foundation bearing his name to alleviate human suffering and help meet the needs of others. It is this charitable legacy that the Hilton family celebrates in this book.

When I was a young boy, I idolized my father, and the lessons learned from him prepared me to lead Hilton Hotels Corporation many years later. It was a privilege

and a blessing to know him as a father, businessman, and hotelman. I learned to hunt, fish, and play golf with him. I grew to emulate his love of God and country as well as his passion for business and respect for all human beings with whom he was associated—values that I cherish to this day. Some of my happiest and most satisfying memories were shaped on the byways of Texas when my father asked me to join him on trips to visit his hotels. Traveling with him provided me an opportunity to observe his approach to business in general, hotels in particular, and how he dealt with his executives, managers, and guests. He was enthusiastic about life, honorable in business, and a gentleman to all

he met—employees, hotel guests, business associates, and competitors alike.

In 1944, my father established the Conrad N. Hilton Foundation to undertake his philanthropic activities. Hilton Hotels Corporation became a public company in 1946, and in 1947 became the first hotel corporation to be listed on the New York Stock Exchange. Over the years, my father expanded his hotel enterprise around the world, and the Foundation came into its own.

My father once said, “Any degree of success I have attained can only be attributed to my conviction that man, with God’s help and personal dedication, is capable of anything he can dream.” Throughout his career, my father steadfastly maintained his belief in the power of prayer. He hosted the first Congressional Prayer Breakfast, placed inspirational Christmas messages in national magazines, and published the stirring prayer, “America on Its Knees.”

In business, his secrets for success were many. He understood the hotel business from the inside out. He knew, firsthand, what it was like to clean a room, launder the sheets, and serve the guests. He was especially expert in the financial side of the business, continually maximizing revenues, minimizing expenses, emphasizing service, and inspiring investors to his side. It has been my goal to carry on his work ethic, his gift of finance, and his deal-making skills. He taught me that a

seller was entitled to a fair price, and a buyer to the best bargain he could negotiate. That win-win philosophy has guided me through my financial dealings ever since.

A visionary at heart, my father was always looking to the future, even when he acquired his first hotel, the Mobley, in Cisco, Texas. That hotel had hitching posts for the horses; however, he quickly found space to park the horseless carriages that would soon invade Texas. He pioneered many of the fundamental advancements in the hotel industry, such as direct-dial phones and air conditioning, as well as worldwide sales and centralized, computerized reservations.

My father believed in the power of travel to improve understanding among the people of the world. His motto, “World Peace Through International Trade and Travel,” became a watchword for the company around the globe. Yet, while he became famous as an American hotelier, he never imposed only American culture on his guests. He insisted that each of his hotels reflect the community it served, from local customs to uniforms and cuisine. He directed his managers to consider minorities and persons with disabilities equally with other job applicants long before many employers addressed these subjects or it became mandated by law.

When my father passed away in 1979 at age 91, he left essentially all of his wealth, principally in the form of Hilton Hotels stock, to the Conrad N. Hilton Foundation.

In his Last Will, he included instructions for Directors of his Foundation far into the future: “As the funds you will expend have come from many places in the world, so let there be no territorial, religious, or color restrictions on your benefactions.” Conrad Hilton knew full well that his financial success was generated by the many guests who frequented his hotels around the globe.

Foundation assets combined with the expectancies from my father’s estate totaled \$160 million in 1979, enabling the Foundation to rank among the nation’s largest philanthropic foundations. The value of Hilton stock increased considerably over the years, due to the contribution of dozens of talented company executives and thousands of dedicated employees at Hilton hotels around the world. Following my father’s example, I have announced the contribution to the Conrad N. Hilton Foundation of virtually all of the proceeds I received from the sale of Hilton Hotels Corporation and Harrah’s Entertainment. I also plan to leave the bulk of my personal estate to the Foundation. As of September 30, 2008, total assets of the Hilton Foundation and related entities, including my gifts and pledges, stood in excess of \$4 billion.

For more than 30 years, Donald H. Hubbs guided the Foundation’s Board and staff, skillfully carrying out my father’s vision to alleviate human suffering worldwide and satisfy other charitable causes. Now that

Don has retired, my son, Steven Hilton, has assumed the roles of president and CEO. The Board and I have every confidence in his compassion, entrepreneurial style, and prudent stewardship as well as his ability to direct the Conrad N. Hilton Foundation. Both Don and Steve have remained true to my father’s wishes while exhibiting wise leadership.

In the pages that follow, you will read how my father’s principles and charitable intentions are still carried on today through his philanthropic Foundation. You will witness the Foundation’s exceptional growth, learn about its strategic approach to current and future grantmaking and, most importantly, experience the results of its good works through the voices of deserving beneficiaries around the world.

The Conrad N. Hilton Foundation advances humanitarianism on a global scale. It is the enduring legacy of a very capable man with extraordinary faith, vision, and determination—an individual who truly thought, acted, and dreamt big—my father, Conrad Hilton.



Barron Hilton
Chairman
Conrad N. Hilton Foundation

In the Footsteps of Extraordinary Men

BY STEVEN M. HILTON

As a young boy, whenever I would meet people, they would invariably ask, “Are you related to Conrad Hilton?” I was amazed by my grandfather’s tremendous skills and success in founding Hilton Hotels, earning him a reputation as one of the most successful and respected business figures of his era. I also have great admiration and respect for my father, Barron Hilton, who, at a relatively young age, became president of Hilton Hotels

and for more than 30 years expanded operations and increased profitability of the company.

Rather than pass on their wealth solely to their heirs, both men chose to leave the bulk of their estates to the Conrad N. Hilton Foundation for charitable endeavors. My father’s pledge to the Foundation of virtually all of the proceeds he received from the sale of Hilton Hotels Corporation and Harrah’s Entertainment will bring the Foundation’s total assets and expectancies in excess of \$4 billion (as of September 30, 2008) and make possible exciting opportunities in the years to come. Speaking for the Hilton family as well as the Foundation, we are all exceedingly proud of and

grateful for this extraordinary commitment. Working to alleviate human suffering around the globe, regardless of race, religion, or geography, is the mandate of the Foundation set by my grandfather and now reinforced by my father.

Ever since I joined the Foundation in 1983, both my father and Don Hubbs have stressed to me that it is our duty and responsibility to adhere to Conrad Hilton’s intentions in our grantmaking. The words of my grandfather’s Last Will and Testament are displayed in our office and serve as the Foundation’s guiding principles; his broad instructions to alleviate human suffering, to assist those most vulnerable, especially



Barron and Steven M. Hilton

children, and to support the work of the Catholic Sisters underlie our Board's grantmaking decisions.

As the grandson of Conrad Hilton and son of Barron Hilton, I am following in the footsteps of two extraordinary businessmen. This heritage influenced me to obtain a master's degree in business administration from UCLA. Upon returning to the Foundation in 1989, I was honored to be elected a vice president of the Foundation and member of the Board of Directors. In 1998, I was elected president of the Foundation; and, upon Don Hubbs's retirement in 2005, my responsibilities were expanded to include chairman and chief executive officer. (My father succeeded me as chairman in 2007.) I consider it an honor and a privilege to be entrusted with carrying on our family's philanthropic legacy.

My grandfather and father recognized talent and then gave their executives the freedom to "think big" and to take risks. My hope is that as president I can encourage that same entrepreneurial spirit that brought success to Conrad Hilton and my father and infuse our staff with that mindset. I encourage a collegial and positive environment within our offices and work daily to make it a place that nurtures creativity and enthusiasm.

I strive to provide leadership in a disciplined way that:

- Builds on the strategy of my predecessor, Don Hubbs, to continue a major project approach to our

grantmaking. That approach provides larger, focused grants spread over multiple years to achieve meaningful change, such as our grants for supportive housing to address the needs of mentally ill homeless people.

- Rigorously examines humanitarian issues, often with the assistance of experts, to find those niches that may have been overlooked, where funds are most needed, and where there is potential for having a significant impact. In dozens of developing countries, Foundation funds have established educational programs for children who are deafblind or blind with multiple disabilities where no such services existed before.

- Engages in partnerships with others to encourage greater collaboration of dollars and best practices, thereby leveraging our limited resources. For example, the Foundation initiated a public-private partnership with the Head Start Bureau to positively impact infants and toddlers with disabilities, their low-income families, and their caregivers.

In addition to overseeing grantmaking, another vitally important aspect of my work is oversight of Foundation investments. We strive to implement effective investment strategies that continue to grow, yet protect, the real value of our assets, thereby making it possible to continue supporting worthy causes far into the future. Although the Foundation's assets have declined in value since their peak of October 2007 due to the global

economic downturn, I remain optimistic about what the future holds.

To ensure that ours remains a family foundation, the Board of Directors instituted a policy that a majority of the Directors shall always be composed of direct descendants of Conrad Hilton. Today, two second-generation and four third-generation family members serve on the Board. To help prepare the younger Hilton generation, so that some will one day assume Board responsibilities, we launched the Generations in Giving program. By enabling numerous Hilton family members to select recipients for discretionary and matching gifts, along with offering specific educational experiences, we are expanding their knowledge of philanthropy. As reported in this book, the response has been encouraging.

Participating in this incredible humanitarian endeavor has touched my heart and soul. I am blessed to have found my calling. I feel totally energized and committed to doing the best job I can, for as long as the Board approves of my efforts. As a reflection of the charitable impulse instilled in me by both my grandfather and father, I have committed some of my own resources to the Hilton Foundation.

My father's gifts to the Foundation, and his announcement to leave to it the bulk of his estate, guarantee that the Foundation's work will continue and expand for many years to come. This heightened and

expanded activity will require additional capacity on the part of Foundation staff, which will be accommodated at a new office campus in Agoura Hills, California. We are planning for a state-of-the-art sustainable office and conference center that will provide maximum energy efficiency and environmental protection.

I pray that God gives me the wisdom, the strength, and the courage to carry on this wonderfully gratifying vocation to the best of my abilities. When the day comes that I retire, I hope to look back and say that during my watch I added value to the legacies of Conrad and Barron Hilton. And, through my efforts, the guidance of my father and our Board of Directors, and the competent work of the Foundation's committed staff, we shall have made a meaningful and positive difference in the lives of those in need.



Steven M. Hilton

President & CEO

Conrad N. Hilton Foundation

Two Men

DEDICATION

This family remembrance celebrates the lives and achievements of Conrad and Barron Hilton and their gift to the world—the Conrad N. Hilton Foundation.

Our story explores the beliefs, goals, and passions that formed the inner lives of these remarkable men, and how these qualities live on in their charitable legacy.

THE HILTON FAMILY

“Charity is a supreme virtue and
the great channel
through which the mercy of God is passed on
to mankind. Christmas is forever.”

INSCRIPTION ON
CONRAD N. HILTON'S GRAVESTONE

Part I

Building a Life in Faith and Charity

cnhbf

A. H. HILTON & CO.
DEALERS IN
GENERAL MERCHANDISE

A. H. HILTON & CO.
DEALERS IN
GENERAL MERCHANDISE

A. H. HILTON & CO.
DEALERS IN
GENERAL MERCHANDISE





◀ (FAR LEFT)
Gus Hilton's general
merchandise store

◀ Mary, Conrad (SECOND FROM
LEFT), Carl, and Gus Hilton

FROM HIS HUMBLE BEGINNINGS, Conrad Nicholson Hilton drew on the spirit of his native San Antonio, Territory of New Mexico, with its sunshine and endless horizon, to form the fabric and foundation of his life. Grounded in a profound faith in the presence and power of God, he went on to dream big dreams, think big thoughts, build a worldwide hotel empire, and proclaim the brotherhood of men.

Born on Christmas Day in 1887, Conrad was the second of seven children. From his German-American mother, Mary Laufersweiler Hilton, Conrad developed a reliance on prayer as a source of strength and guidance. A devout Catholic and herself one of 10 children, Mary called on prayer as a cure for every challenge in life. Conrad modeled much of his life after her.

A child of Norwegian immigrants, Conrad's father, Augustus "Gus" Hilton, was described by his son as a "Viking of a man with energy to burn." He was widely admired for being self-made, hard working, versatile, imaginative, and outgoing. Gus and Mary's example helped to plant in young Connie the seeds of romance, imagination, creativity, work ethic, and possibility that bore fruit in a rich, rewarding, respected life of great accomplishment.

“To be haunted by past failures or satisfied with past successes is to arrest forward motion.”

CONRAD N. HILTON, *Be My Guest*

YOUNG CONRAD WAS NOT A NOTABLE

SCHOLAR, but his intellect was exceptional and he drew valuable lessons from his varied education and learned life skills. Beginning in a one-room grammar school where lessons were conducted in both English and Spanish, Conrad learned to master and love both languages. Gus and Mary intensified the boy’s education, sending him, at age 11, to Goss Military Institute in Albuquerque, where he received “drilling in the three Rs,” and the New Mexico Military Institute in Roswell, where he learned something that remained with him for a lifetime, that lying is a disgrace. He also learned that a man’s word is his bond, a principle that enabled the future entrepreneur to move easily in the universe of high finance and business. People trusted him completely.

At St. Michael’s College in Santa Fe, Conrad met Father Jules Derasches, who became his first confessor and gave him prayer instructions to live by: “Connie,” he promised, “if three times daily you will say a Hail Mary and ask St. Joseph to ‘Pray for Us’, He will always take care of you.” Conrad recited these prayers every day for the rest of his life, as well as other prayers suggested by Father Jules. Later, at the New Mexico School of Mines at Socorro, young Conrad excelled in advanced mathematics and developed an astonishing ability to calculate numbers quickly as well as decipher complex problems. “In negotiating major business deals, it is imperative to listen

carefully,” he would say, “but in the end, someone has to put all the information together, determine what the actual problem is, and make a decision. The School of Mines helped me to see quickly what the actual problem was, and where the problem is, the answer is.”

At age 16, Conrad’s formal education ended when he went to work full-time at his father’s general merchandise store and delivered goods and supplies to the ranchers throughout the Territory of New Mexico. He learned to bargain, size up a credit risk, and trade with customers. He came to believe that the buyer was entitled to a bargain, and the seller a profit, a rule that he followed throughout his career.

At 20, he spent a summer managing a teenage music trio headed by his violin-playing sister, Eva, who was all of 18. Conrad toured the Southwest with his Hilton Trio, trying P.T. Barnum’s colorful techniques to pull in audiences, eventually deciding, however, that theatrical management was not for him.

ADVERSITY, NOT NECESSARILY OPPORTUNITY, drove a teenage Conrad Hilton unceremoniously into the hotel field. In 1904, his father sold his coal mine for \$110,000, instantly becoming one of the richest men in the Territory. The family celebrated by traveling to St. Louis and staying at the Inside Inn, the first hotel run by the Statler Family. (Fifty years later, Conrad bought

all the Statler Hotels for \$111 million.) Prosperity was short-lived, however, for a currency panic started by a run on a New York-based bank, exhausted the bank's reserves and spread, resulting in the closure of banks throughout the country. This left Gus flat broke and the Hiltons returned home almost penniless.

Gus and Mary didn't waste time on regrets. They converted part of their home into a small hotel, a sign of things to come. Conrad and his brother hustled up guests from among travelers at the nearby train station. With work fortified by prayer, the family began to rebuild their lives and fortune.

CONTINUING HIS SEARCH for a calling, Conrad tried politics, as the youngest member-elect in the first House of Representatives of the new State of New Mexico. Although he recoiled from the political wheeling and dealing, he did learn to be a first-rate public speaker. Next came a short-lived venture in banking. Then World War I intervened, and the patriotic young Hilton joined the Army. Commissioned as a second lieutenant, the young man was sent to San Francisco, the State of Washington, Boston, New York City, and eventually Paris, where he later recalled celebrating the Armistice in 1918 with more than 2 million others.

Gus had great business plans for Conrad and wanted his son to come home. That is just what Conrad

The Making of a Master Bargainer

One day, Gus handed off a difficult customer to Conrad in the family store. A señora presented a pair of shoes. In Spanish, the señora asked the price. Conrad quoted the price tag. "Unvarnished thief," she shrieked. "They're worth every penny," Conrad calmly replied.

The señora pointed a trembling finger at Conrad's chest, saying that he was trying to cheat her. He came down 10¢, noting that she needed the shoes. She wept. Conrad shook his head sorrowfully. She screamed "Malhayas tu!" [Damn you!]. Satisfied, Conrad reduced the price 25¢. The señora smiled. Conrad smiled. It was a deal. "The señora had her shoes—and a bargain, and I had a profit." Gus gave his son a raise and a compliment: "Done like a gentleman and a businessman."

"I have played variations on that theme throughout my life, often with bigger chips, often over longer periods of time," Conrad said years later. "But the rules are always the same, and I have never lost the thrill of the game."

“Life’s journey, to be fulfilling, represents involvement in meaningful activity, sustained by a deep-rooted faith of being guided on a worthwhile course.”

CONRAD N. HILTON

wanted as well. His early fascination with foreign lands had diminished to some extent, though not completely. At that time he missed his family; however on January 4, 1919, fate intervened. A cable arrived from mother: “Father killed in an auto accident. Come. Mother.” Just over one month later, Conrad Hilton was discharged from the Army at Camp Dix and took the first train home. From that sad moment on, San Antonio was never the same for young Conrad.

Conrad had spent 18 years as a clerk, trader, theatrical manager, merchant, speculator, politician, banker, and soldier, and at the age of 31 felt that he had nothing to show for it. He had a sense of failure. His mother rescued him by firmly stating, “You have to find your own frontier, Connie.” Conrad Hilton’s frontier turned out to be Texas.

TEXAS WAS UNTAMED COUNTRY—tall men, tall tales, giant laughter, feverish work, fierce competition—and lots of oil and lots of money. Conrad Hilton wanted in! He traveled to Cisco, Texas, to possibly buy a bank, but was unable to do so. Trying to obtain accommodations at the rundown Mobley Hotel in Cisco, he learned that room occupancy turned over three times a day. When the hotel he called “a cross between a flophouse and a goldmine” came up for sale, he corralled \$40,000 from family members and a

few friends as well as the Cisco Banking Company, to buy the place. Five minutes after becoming the owner, Conrad gleefully wired his mother, “Frontier found!” From that humble start, Conrad Hilton built possibly the greatest hotel company ever established, as well as one of the foremost international entrepreneurial and commercial enterprises of the 20th Century.

Conrad Hilton’s rise to prominence in the hotel industry began with lessons that he and an early collaborator, L.M. Drown, learned in Cisco:

The Mobley in Cisco, my first love, was a great lady. She taught us the way to promotion and pay, plus a lot about running hotels. She was indestructible, the ideal hotel to practice on. L.M. Drown and I did just that....

Drown and I continued to sleep in the chairs in our cramped office to free more bed space, and it made for restless nights....

THREE PRINCIPLES GUIDED CONRAD’S MANAGEMENT PHILOSOPHY. First, be economical with resources. He would cut the reception desk in half to accommodate a news and tobacco stand. Second, stay one step ahead of the competition. Third, build *esprit de corps* among employees and investors alike, instilling pride and offering incentives to make a better and more profitable hotel for both. Soon Hilton Hotel investors could count on getting their money back in as little as one year.



Conrad Hilton’s growing business acumen was built on a keen sense of property values, good timing, patience and skill in negotiating, as well as an unshakable honesty in, and an understanding of, financial dealings. Investors and employees alike came to realize that his handshake was as good as a Treasury bond. He was loyal to colleagues, investors, and employees, many of whom stayed with him for their entire working lives. He was charismatic in presence, a tall, elegant, stylish dresser, and blessed with an infectious smile as well as a genuine interest in everyone he met.

In *The Man Who Bought the Waldorf: The Life of Conrad N. Hilton*, Thomas Ewing Dabney writes:

Hilton recognized from the beginning that the hotel business was made for him. He enjoyed people and was eternally being amazed by the things he learned. The dullest saga of a Texas traveler entranced him and he was not acting.

At 37, Conrad felt like the luckiest fellow alive. He believed in luck and in being in the right place at the right time. He knew that he was only as good as his associates; in them, he found his good luck and his fortune.

The Dallas Waldorf, the third Hilton hotel, was his biggest venture to date. Following his basic rules, he converted every unused nook he could find into usable space and began to build *esprit de corps*,

First Hotel Is Now a Community Center

In 1919, Conrad Hilton purchased his first hotel, the Mobley, in Cisco, Texas. After Conrad sold the hotel, it deteriorated into a weed-grown, dilapidated eyesore. A \$1.2 million grant from the Hilton Foundation was endorsed by Barron and Eric Hilton “for the purpose of establishing an appropriate memorial to Conrad Hilton at the site of his first hotel.” The grant enabled devoted members of the small Cisco community, led by Eris Ritchie, to transform the building, reopened in 1986, into the Conrad N. Hilton Memorial Park and Community Center: a community center, chamber of commerce headquarters, dinner theater, museum, and park. Otherwise, the Mobley would likely have eventually been condemned, leaving only photographs and memories of the very first Hilton. Subsequent grants from the Foundation endowed the Center, which now includes displays on Conrad’s history, family, hotel empire, and legacy.



The Waldorf=Astoria Hotel

(FAR RIGHT)

Conrad Hilton greeting
President Dwight D. Eisenhower

Conrad Hilton escorting Her
Majesty Queen Elizabeth II

resulting in another successful venture. Hotels in Abilene, El Paso, Longview, Lubbock, Plainview, and Waco, Texas, followed.

BY NOW CONRAD HAD BEEN TRANSFORMED

into a true Texan, sporting a slightly battered broad-brimmed Stetson. Several hotels later, while sitting in his mother's living room, the entrepreneurial genius began to doodle. He dreamed of a tall hotel, the newest of the new, with the name Hilton emblazoned on it. "I'm putting a dream on paper, Mother. Maybe it's time to go all out," he said softly. "This time I'm really going big. And the first thing I'll need to do is raise a million dollars." "A million dollars is a lot of money," cautioned his mother. "I'll talk it over with St. Joseph," he promised. "This should be right in his line."

THE GIRL WITH THE SOFT KENTUCKY VOICE

was named Mary Barron. She became Conrad Hilton's wife in 1925, and from this union came three sons—Conrad Nicholson, Jr. "Nick", William Barron, and Eric Michael. Conrad now had a family along with his ambitious dreams.

Who could have anticipated the Crash of 1929 and the Great Depression that followed? Waves of panic swept across Wall Street. Although he struggled to survive in those desperate times, Conrad kept his balance—and his

word. He refused to resort to bankruptcy, and eventually paid off every penny of debt he owed.

He later commented,

If I had climbed tall mountains, looked at wide horizons, and felt myself equal to anything I could dream, the time had come now to walk through a long, dark valley. I was not alone. The whole of America went through that Great Depression. And on each of us it left a mark.

The crises he faced day after day contributed to ending his marriage in 1934. In 1942, he married the glamorous actress Zsa Zsa Gabor, who bore him a daughter, Constance Francesca. That marriage ended in 1947.

BIG DREAMS CAME TRUE for Conrad Hilton through Herculean effort and masterful business strategies. In 1945, he became a major national force in the hospitality industry with the purchase of the world-renowned Palmer House and Stevens Hotel in Chicago, two of the foremost hotels in the world. The following year, Hilton Hotels Corporation became a public company, and in 1947 the first hotel company to be listed on the New York Stock Exchange.

In 1949, Conrad Hilton fulfilled a long-standing dream and made national headlines by acquiring the famed Waldorf=Astoria hotel in New York City, dubbed



by Conrad and the press “The Greatest of Them All.” His other New York properties already included the Roosevelt Hotel and The Plaza. That same year, he opened his first Hilton Hotel outside the continental United States—the Caribe Hilton in Puerto Rico. Beyond Puerto Rico lay the whole world. President Dwight D. Eisenhower’s contention that international business was a force for peace appealed to him. With his Directors’ approval, Conrad then extended his reach overseas. In 1953, Hilton Hotels opened the Castellana Hilton in Madrid, the first Hilton International hotel in Europe.

When he opened the Castellana Hilton, Conrad Hilton spoke of international plans for himself, the United States, and the world. Two years later, at the opening ceremonies of the Istanbul Hilton, 30 miles from the Iron Curtain, he told the assembled dignitaries and guests, “Each of our hotels is a ‘little America,’ not as a symbol of bristling power, but as a friendly center where men of many nations and of good will may speak the language of peace.”

CONRAD HILTON THEN CONSUMMATED the greatest merger in hotel history, the largest real estate transaction the world had ever known. On October 27, 1954, Hilton Hotels Corporation officially acquired control of Statler Hotels for \$111 million. Though of gigantic proportions for the time, Hilton had only 11 hotels and Statler 12. Thereafter, international operations expanded with hotels opening in Mexico City in 1957, Berlin and Havana in 1958, and Cairo in 1959, with many others to follow, including Tokyo and Hong Kong. In 1963 alone, Conrad Hilton opened 12 hotels.

IN THE LATE SUMMER AND AUTUMN OF HIS LIFE, Conrad Hilton’s personal growth, remarkable business acumen, and deepening philosophy can be traced in part through his public appearances and speeches. When the National Conference of Christians and Jews bestowed upon him its Brotherhood Award, his keynote address about peace, prayer, and America was captured in *Vital Speeches of the Day*.

AMERICA ON ITS KNEES:

✦ ✦ ✦ not beaten there by the hammer & sickle, but FREELY, INTELLIGENTLY, RESPONSIBLY, CONFIDENTLY, POWERFULLY. America none knows it can destroy communism & win the battle for peace. We need fear nothing or no one... except God.

OUR FATHER IN HEAVEN.

We pray that you save us from ourselves.

The world that YOU have made for us, to live in peace, we have made into an armed camp. We live in fear of war to come.

We are afraid of "the terror that flies by night, and the arrow that firs by day, the pestilence that walks in darkness and the destruction that wastes at noon-day."

We have turned from YOU to go our selfish way.

We have broken your commitments and denied your truth. We have left you to alter to serve the false gods of money and pleasure and power. Receive us and help us.

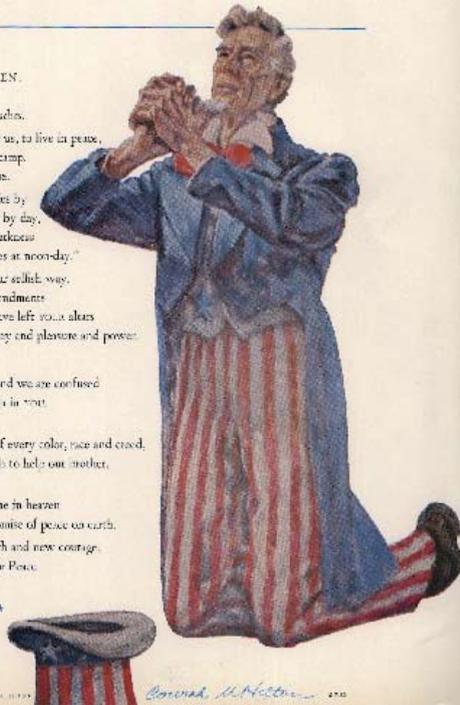
Now, darkest gathers around us and we are confused in all our counsel. Laying faith in you we lose faith in ourselves.

Inspire us with wisdom, all of us of every color, race and creed, to use our strength, our strength to help our brother, instead of destroying him.

Help us to do your will as it is done in heaven and to be worthy of your promise of peace on earth.

Fill us with new faith, new strength and new courage, that we may win the Battle for Peace.

Be swift to save us, O our God before the darkness falls ✦ ✦ ✦



He felt a need to express the belief of America's founders in prayer as a vital force in national life. On July 4, 1952, he published in a number of magazines a full-color pictorial presentation of "America on Its Knees," a portrait of Uncle Sam kneeling in prayer, along with his fervent prayer which begins, "Our Father in Heaven." From every state in the union, from around the world, from the old and the young, from every level of society came requests for copies.

Privileged to be host at the first Congressional Prayer Breakfast in 1953 at the Hilton's Mayflower Hotel in Washington, DC, with President Eisenhower, Vice President Richard M. Nixon, and other dignitaries in attendance, Conrad Hilton was celebrated by a large "America on Its Knees" depiction displayed in the ballroom. The nonpartisan Prayer Breakfast remains an annual event to this day.

CONRAD WAS A BORN GIVER AND HELPER. As a boy, he painted fences for the Sisters of Loretto in New Mexico. As a man, he gave more and more of his money, time, and name to worthy causes. By midlife, he was giving to a wide range of causes: children with disabilities, foster parents, and disadvantaged persons.

He sat on nonprofit organization boards and raised funds for organizations with missions that concerned him. He saw his charitable gifts benefit educational institutions, including those involved in hospitality, hospitals, church-affiliated programs of various denominations, and a group near to his heart, the Catholic Sisters.

Generous by nature and by religious training, Conrad Hilton from early in his life helped others and did so with pleasure. The Sisters of Loretto, who had taught him catechism in New Mexico, once wrote him about praying for help to build a gymnasium in Bernalillo, 16 miles from Albuquerque, and asking for "a small donation." Conrad remembered how difficult it was to raise money among the poor people of that area. With a large check, he wrote back: "Dear Sister: I am sure you have been praying extra hard, for your campaign has begun and ended."

AS THE COLD WAR BEGAN after World War II, and the United States entered a new era of prosperity, Conrad Hilton stepped first on to the national and then the international stages. He did so with characteristic dash and financial success.

Conrad became a vigorous advocate of interna-



◀ Conrad Hilton accompanying President John F. Kennedy

▲ Conrad Hilton sharing his book, *Inspirations of an Innkeeper*, with His Holiness Pope Paul VI

tional cooperation and development of Third World countries. He supported Bretton Woods, where the major nations that won World War II established the international monetary system that exists today, and he spoke in favor of the United Nations and the World Bank. He sought ways to bring people together for peaceful activities, not the least of which was using Hilton hotels as meeting and convening places. “World Peace Through International Trade and Travel” was the Hilton corporate motto and continued to be Conrad’s personal philosophy. He was a Trustee of the United States Council of the International Chamber of Commerce and a member of many other international business organizations. He spoke often and eloquently about finding peace while protecting Europe from being overrun by Communism. He was honored with awards, lifetime memberships, and honorary degrees—doctorates from U.S. and foreign universities and medals from France, Italy, and Nicaragua among them.

HIS FINAL YEARS WERE FULL AND REWARDING.

The hotel business never really left Conrad Hilton; it was always the underpinning of his world—the greatest reason to rise up in the morning and find rest at the end of each day. Although his son Barron had taken on leadership of the company in 1966, Conrad remained chairman of Hilton Hotels Corporation until his death.

Hotels...and Coffee...Foster Understanding

“Drinking a cup of coffee in Turkey has a very special significance,” Conrad Hilton wrote in *Be My Guest*. “It was explained to me the first time I was offered a demitasse of the strong local brew. ‘After you drink a cup of coffee with me,’ said my host, ‘that commits you to friendship for thirty years.’”

“Imagine what would happen if everyone in that hotel (from thirty-eight different countries) were to drink coffee together in the Turkish tradition!”

When It Took Courage to Speak Up

This 1962 letter refers to a much earlier appearance by Conrad Hilton:

“We thank you. I think very highly of [Conrad Hilton]. Our friendship goes back to his El Paso years when [he] stood up for our efforts for intergroup brotherhood in the National Conference of Christians and Jews when the Ku Klux Klan made such ideals very unpopular. It was 1929-30.”

Everett R. Clinchy
Council of World Tensions
December 6, 1962



*In my
Father's house
are many mansions*

ONE HOUSE, one world; many mansions, many creeds; each joined by the Golden Rule. Together the religions of the earth form a chain of spiritual brotherhood. "Therefore all things whatsoever ye would that men should do to you, do you even so to them: for this is the law of the prophets," spoke Jesus. • A half century before Christ, Confucius said, "What you do not want done to yourself do not do unto others."

FROM THE EAST Hinduism admonishes: "Do naught to others which, if done to thee, would cause thee pain." Buddha commands a clansman to administer to his friends and familiars "...by treating them as he treats himself." • The ancient Jewish rule reads: "What thou thyself hatest, do to no man." • Each of the great religions and philosophies of the world shares in different words from diverse creeds the same principle of goodwill among men. The Golden Rule is a practical precept to practice, each day, from one Christmas to the next.

Hilton Hotels, CONRAD N. HILTON, BEVERLY HILLS, CALIFORNIA

◀
Annual inspirational message
in a national magazine
Christmas 1965

“Into his late 80’s, he was at his desk six days a week,”
The New York Times reported.

At the age of 89, Conrad Hilton married a lifelong friend, Mary Frances Kelly of Santa Monica, a tall, stylish, gracious woman. They lived in Conrad’s luxurious, 60-room *Casa Encantada* in Bel Air, which was his final and much-loved home. He and Frances would dress for dinner, often joined by family and friends. The couple preferred the intimacy of the small family dining room, which sat eight, rather than the large one, which sat 24.

At the table, hosts and guests would engage in lively and most interesting conversation about people and topics spanning the globe. The elder statesman of American business maintained his interest in national and world affairs, including politics, the hotel industry, education, and medicine. Frequently, he expressed his concern for the disadvantaged, particularly children, and his hopes for brotherhood and peace. He maintained his lifelong relationship with the Catholic Sisters. He believed steadfastly that the lasting fruits of successful living were not material, but were personal contentment, friendship, the joy of usefulness, and growth through the fulfillment of one’s unique talent.

CONRAD HILTON LIVED A LONG LIFE. At the age of 91, he died peacefully on January 3, 1979, at

Hospitality Strengthens Love of Country

On May 23-25, 1973, the Washington Hilton and the Statler Hilton in Washington, DC, hosted more than 600 returned prisoners of war from the Vietnam War. President Richard M. Nixon held a reception for the POWs and their families on the South Lawn of the White House, followed by dinner under a tent. It was billed as the largest seated dinner in White House history.

The hotels’ gesture of hospitality impressed the men, their families, and military brass.

A handwritten letter said: “Dear Sirs: I was so overwhelmed with your kind generosity toward all former POWs that I want to add my personal thank you. Such kindness only strengthens our love of country and goodness of humankind.” It was signed by Sgt. Robert Helle of Toledo, Ohio.



St. John's Hospital in Santa Monica. "He was working right up until just before Christmas," a Hilton Hotels Corporation spokesman told *The New York Times* in its obituary. "He was ill and went into the hospital just before the holidays and went back into the hospital three days ago." His passing was noted around the world, and his life was honored with respect and admiration. Hundreds of family, friends, business associates, and the public attended a formal funeral service in Los Angeles. Burial was in Dallas, Texas. On Conrad Hilton's gravestone are inscribed the words, "Charity is a supreme virtue and the great channel through which the mercy of God is passed on to mankind. Christmas is forever."

GUIDED BY HIS PERSONAL AND PROFOUND FAITH in the presence and power of God, and an undying belief in the brotherhood of man, Conrad Hilton left this world a better place than he found it.

He loved people. He was a philanthropist long before he entered philanthropy. He was unfailingly fair. He had a deep sense of justice, and he never lost concern for the disadvantaged in life—the disabled, the helpless children, the poor.

CONRAD HILTON LEFT TWO LASTING ACHIEVEMENTS, one that has benefited the other. First, he left his great entrepreneurial achievement—the

Hilton Hotels Corporation, which, at the time of its acquisition by the private equity firm of Blackstone Group, L.P. in 2007, was a leading global hospitality company, with close to 3,000 hotels in 76 countries and territories and more than 100,000 team members worldwide. It continues today under the Hilton name as one of the world's largest and most prominent companies.

Second, Conrad Hilton left his great philanthropic legacy, the Conrad N. Hilton Foundation, which he endowed with stock from the Corporation. His Last Will contains a directive that his wealth be eternally reinvested to alleviate human suffering throughout the world. To date, the Foundation and its associated entities have distributed more than \$650 million to worthwhile causes worldwide. ■

Part II

Moving from Founder to Foundation

cnhbf

Will Be Erected in Money for Project Through Hilton Foundation Donor Once Mt. Co



FRIDAY, APRIL 13, 1951

Socorro.—His Excellency, the Most Rev. Edwin V. Dyer, announced the letting of the contract for building the new school building and convent in Socorro to O. G. Bradbury, the highest bidder among five base bids submitted.

At the same time the Archbishop revealed that through the generosity of the Hilton foundation, San Miguel parish in Socorro has received a very generous and substantial donation for this building project.

He said that in making this donation through the Hilton foundation, Conrad N. Hilton had stated the project would be dedicated in loving memory of A. H. Hilton and Mary Hilton, his deceased parents, both of whom are buried in the Socorro Catholic cemetery.

"Conrad" Hilton, as he is affectionately known to his many friends, was born in San Antonio, near Socorro, and attended Mt. Carmel school as a boy.

He says he has always cherished those happy school days and the good influence of the Loretto Sisters and is happy to be able to make this building project a reality and at the same time perpetuate



Conrad N. Hilton

the memory of his father and mother. Work is to be started immediately, and when completed the building will be called "Hilton's Mt. Carmel."

The members of the Socorro council of the Knights of Columbus have organized the men of the parish and are rapidly completing the demolition of the old school grounds.

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◀ Conrad Hilton sharing his book, *Inspirations of an Innkeeper*, at Webster College

THE CONRAD N. HILTON FOUNDATION GREW AS A NATURAL EVOLUTION of Conrad Hilton's thinking and experience. Like his business decisions, it came after careful exploration and planning. Like his general charitable impulse, it was grounded in his faith. Reflecting upon his 1951 gift of \$162,500, which perpetuated the memory of his parents and demonstrated his gratitude to the Sisters who educated him, he later wrote:

The yardstick for measuring success would seem to be not how much a man gets as much as how much he has to give away....In my own county of Socorro they have finally adjudged me a success, not because I bought the Waldorf, but because I was able to give as a memorial to Gus and Mary Hilton a new school and convent to the Sisters of Loretto—the Hilton Mount Carmel School and Convent.

As early as 1942, Conrad contemplated establishing a private foundation. Two years later, he formed the Conrad N. Hilton Foundation, originally as a Trust, and funded it with the profits from his Dayton Biltmore Hotel. He served as Trustor and briefly as a Trustee, with a Hilton Hotels executive, Robert P. Williford, and a friend, Harry L. Ludwig, as other Trustees. In 1950,

Fulfilling a Life-long Pledge to the Sisters

In 1955 and 1956, Conrad Hilton contributed to Barat College, operated by the Society of the Sacred Heart in Lake Forest, Illinois, and now part of DePaul University. His support eventually extended beyond that campus to include the entire Society of the Sacred Heart and its many works and projects in the United States and throughout the world.

In 1956, he gave \$500,000 to the Notre Dame Academy in Covington, Kentucky, putting its fundraising campaign activities into orbit.

In the mid-1960s, Conrad contributed personally and helped to raise \$1.5 million for Webster College (originally named Loretto College and now known as Webster University) in Webster Groves, Missouri, to construct the Loretto-Hilton Theater, named in honor of the college's founding Order.

St. John's Health Center in Santa Monica, California, was founded by the Sisters of Charity of Leavenworth. To boost its capital campaigns, Conrad served as the first president of its Men's Committee, served on its first Board of Regents, and hosted a fundraising gala in the newly finished Grand Ballroom of the Beverly Hilton Hotel. Over many years, other Hilton family members have devoted time and resources to St. John's as well.



▲
Conrad Hilton receiving an honorary degree from Barat College

“There is a natural law, a Divine law, that obliges you and me to relieve the suffering, the distressed and the destitute.”

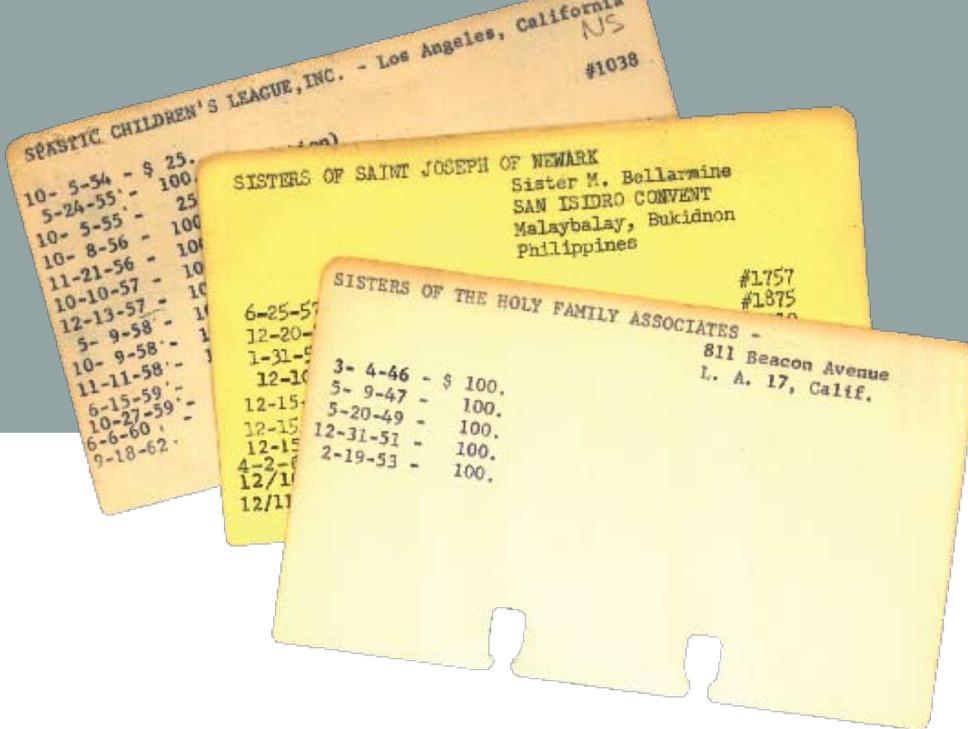
CONRAD N. HILTON, Last Will and Testament

all assets were transferred to a nonprofit corporation. As early as 1954, he expressed his intent to leave the bulk of his estate to the Foundation.

Conrad continued to make charitable contributions from his personal funds, hotel stock, and hotel bonds. In some cases, he both gave money and helped raise it, as he did for St. John's Hospital (now known as St. John's Health Center) in Santa Monica. In 1955, he received a letter from Cardinal James McIntyre of the Archdiocese of Los Angeles thanking him “for the generous and gracious cooperation you have given of your time and means to the promotion of St. John's Hospital.”

IN ITS FIRST TWO DECADES, the Foundation contributed small amounts to many organizations. At times, when reduced income threatened to keep it from meeting its commitments, donations were sought from different sources.

In 1966, the Foundation Directors changed policy to make smaller charitable gifts and limit the addition of new grantees. Through the end of Conrad's life, the Foundation continued to contribute relatively small amounts to many organizations both in the United States and in developing regions throughout the world. Catholic Sisters and Catholic-related interests, such as churches, hospitals, and schools, were among those



receiving assistance. From the Foundation’s inception in 1944 to Conrad Hilton’s death in 1979, the Foundation awarded a total of \$7.6 million in grants.

Throughout these years, Conrad Hilton’s personal giving continued to exceed that of the Foundation. In 1972, he personally committed \$10 million, payable over 10 years, to construct a clinical, educational, and human behavior research center at the Mayo Clinic, contributing \$1 million that year as a first installment. (As the residuary beneficiary under Conrad’s Will, the Foundation paid the balance of the commitment after his death.) He also continued to advocate for private philanthropy. In a speech entitled “Religious Heritage of America” that he gave in Washington, DC, in 1973, he said:

If, in our personal lives, the strength of our faith has made possible a degree of success and brought us monetary rewards, I can think of no greater God-given responsibility we have...than that of extending a helping hand to our fellow man.

LEGAL CHALLENGES AROSE AFTER CONRAD HILTON’S DEATH, putting at odds the interests of the Hilton family, Hilton Hotels Corporation, and Hilton Foundation. The heart of the challenges lay in sharply differing interpretations of the impact of federal tax law and California estate law upon Conrad Hilton’s intent as expressed in the Will language regarding disposition

of his large stake in Hilton Hotels Corporation. At his death, Conrad Hilton owned 27.4 percent of the Corporation stock. While his holdings were less than the more than 50 percent generally required to constitute control of a corporation, at 27.4 percent he was still the largest single shareholder. His Last Will and Testament bequeathed the stock to the Foundation, but it also directed that Barron Hilton had the right and option to purchase a portion of the stock considered as “excess business holdings.”

Thus, the Founder’s Will appeared in some interpretations to conflict with the federal Tax Reform Act of 1969, enacted a quarter century after formation of the Hilton Foundation. The Act prohibited a foundation and those defined as “disqualified persons,” which included Barron Hilton, from controlling more than 20 percent of the stock of any business (the so-called “excess business holdings”). Therein lay the basis of the conflict.

One view was that of Barron Hilton. He believed that his father’s intent, called the “donor’s intent” in estate law, was to ensure family control of the large block of Hilton Hotels Corporation stock by arranging for Barron to buy enough stock to retain control of those shares that the Foundation could not continue to own. In this regard, it was argued that Barron was entitled to purchase a substantial portion of the stock.

EXCERPT FROM THE LAST WILL AND TESTAMENT OF

Conrad Nicholson Hilton

There is a natural law, a Divine law, that obliges you and me to relieve the suffering, the distressed and the destitute. Charity is a supreme virtue, and the great channel through which the mercy of God is passed on to mankind. It is the virtue that unites men and inspires their noblest efforts.

“Love one another, for that is the whole law;” so our fellow men deserve to be loved and encouraged— never to be abandoned to wander alone in poverty and darkness. The practice of charity will bind us — will bind all men in one great brotherhood.

As the funds you will expend have come from many places in the world, so let there be no territorial, religious, or color restrictions on your benefactions, but beware of organized, professional charities with high-salaried executives and a heavy ratio of expense.

Be ever watchful for the opportunity to shelter little children with the umbrella of your charity; be generous to their schools, their hospitals and their places of worship. For, as they must bear the burdens of our mistakes, so are they in their innocence the repositories of our hopes for the upward progress of humanity. Give aid to their protectors and defenders, the Sisters, who devote their love and life's work for the good of mankind, for they appeal especially to me as being deserving of help from the Foundation.



The opposite view was that of Donald Hubbs. As a lawyer and accountant, Don had worked closely with both Conrad and Barron and was known and respected within the Hilton family. He was involved in liquidating Conrad Hilton's estate and had planned to retire shortly after Conrad's death. Invited by Barron and encouraged by the Foundation's Board, he instead assumed the Foundation's presidency in 1981. He, therefore, saw his fiduciary and legal responsibilities as requiring him to defend the Foundation's interests vigorously and to argue that the Foundation should receive all the stock, even if it might subsequently have to dispose of "excess" shares.

In order to avoid any conflict of interest, Barron took a leave of absence from the Foundation Board during the period of this dispute.

Both sides were represented by some of the best legal counsel in the country and both sides presented strong, well-constructed cases that required new applications and interpretations of both federal tax law and state law. The suits, countersuits, trials, appeals, and Internal Revenue Service actions were closely watched by the philanthropic community and attracted wide media attention. A headline in the February 20, 1986, issue of *The Wall Street Journal* read, "Claims to Big Hilton Stake Are Heating Up: Conflict Charges Ensnare Bid of Founder's Son."

THE DISPUTE INTENSIFIED in late 1987. First, the Los Angeles County Superior Court held that the Foundation, which, with IRS approval had converted itself into a "supporting organization" in 1986, could keep the entire block of Hilton stock. (A supporting organization is like a foundation in that it can make grants, but unlike a private foundation, is limited in the number of grantee organizations and is not subject to the IRS excess business holdings limitation.)

Subsequently, a U.S. District Court judgment held that the Foundation was not a supporting organization under existing tax law, which ruling was appealed by the Foundation. Then the California Court of Appeals overturned the original Superior Court, ruling that Barron could buy the "excess" block of shares, adding further that the Foundation should revert to being a private foundation, which it promptly did.

In an effort to move forward, the parties abandoned judicial remedies and in 1989 agreed to a broad out-of-court settlement as the best pathway to implement the Founder's intent. They agreed to divide the disputed shares of stock into three parts: Barron would receive 4 million shares, the Conrad N. Hilton Foundation would receive 3.5 million shares (subsequently placed in the Conrad N. Hilton Fund), and the remaining 6 million shares would be placed in the W. Barron Hilton Charitable Remainder Unitrust.

Four Entities Carry on the Hilton Legacy

While the Foundation and its related entities no longer own any of the original assets owned by Conrad Hilton, the reinvested assets were placed in four distinct entities that carry forward the legacy of his philanthropic spirit. When combined with the anticipated proceeds from Barron Hilton's estate, total value is expected to exceed \$4 billion.

THE CONRAD N. HILTON FOUNDATION is a family foundation established by Conrad Hilton in 1944. Since 1989, it has been incorporated in Nevada. As of September 30, 2008, the Foundation held assets of \$925.2 million.

THE CONRAD N. HILTON FUND was established in 1992 in Nevada to provide grants and financial assistance to a specified number of organizations designated by name in its charter. In 1994, the shares of Hilton Hotels Corporation held by the Foundation plus cash were transferred to endow the Hilton Fund. As of September 30, 2008, the Fund held assets of \$994.8 million. In March of 2008, the Fund was converted to private foundation status. In early 2009, pursuant to approval of the Fund's Board of Directors, all of its assets and liabilities were transferred to the Foundation, thus taking the Foundation's overall assets to more than \$1.9 billion.

THE W. BARRON HILTON CHARITABLE REMAINDER UNITRUST was established in 1989. This is an irrevocable trust with the Foundation as its ultimate beneficiary. As of September 30, 2008, the 1989 Unitrust held assets of \$746 million.

THE W. BARRON HILTON 2006 CHARITABLE REMAINDER UNITRUST was created in late 2006 and principally funded during 2007 with shares of Harrah's Entertainment and Hilton Hotels Corporation stock. Both companies have now been acquired for cash. The Foundation is the ultimate beneficiary of this irrevocable trust. As of September 30, 2008, the 2006 Unitrust held assets of nearly \$1.1 billion.

Barron would receive 60 percent of the trust income, and the Foundation would receive 40 percent. Upon Barron's death, or in the year 2009, whichever occurred later, trust assets would be transferred to the Hilton Foundation.

As Trustee of the Unitrust, Barron would vote the Unitrust stock as well as his own, which gave him a substantial interest in Hilton Hotels Corporation. At the time, he said that "my father's two objectives, retaining control of the stock in family hands and benefiting charity through the Conrad N. Hilton Foundation, can both be achieved. I am confident that my father would be pleased with this accord."

IN THE END, CONRAD HILTON'S 'DONOR INTENT' HELD FIRM. The parties reconciled their opposing views in entering into the settlement. Barron then rejoined the Foundation Board. As a result of the settlement, the Foundation held a sizeable block of Corporation stock, with more assets to come. That same year, Steve Hilton joined his father, Barron, and uncle, Eric, on the Foundation's Board of Directors. Don Hubbs continued as Foundation president and, with the litigation behind them, all concerned were able to focus on philanthropy. The Founder's intent as expressed in his Will was then, as it is today, the guiding directive for the Hilton Foundation in all its activities. ■

Part III

Charting the Charitable Course

cnhbf





Donald H. Hubbs

THE FLAME OF PHILANTHROPY HAD BEEN KEPT ALIVE even during the decade of prolonged litigation. After assuming the presidency in 1981, Don Hubbs proposed awarding grants on a modest scale while scanning the domestic and international horizons for worthy charitable causes. At its 1982 retreat, the Board adopted his Statement of Purposes, which read in part:

It would seem that foundations have been most effective and have received their greatest recognition when they have undertaken specific projects rather than by spraying their beneficence among a variety of charities, which usually results in a dilution of effectiveness.

That same year, the Board adopted Don's major project approach as a keystone for Foundation grantmaking strategies. The next year, Vice President-Programs Terry W. McAdam, former vice president of the New York Community Trust, presented an influential paper that helped the Board turn the Founder's intent and the Hubbs findings into practical actions regarding Foundation scope and style. The Foundation prepared to assume its place as a major philanthropic entity.



In the Foundation’s first published annual report (1982-83), Don Hubbs wrote:

The task of accomplishing some positive change in a complex and strife-ridden world is not an easy one, but we welcome it. As we embark on this era of expanded responsibility, we do so with the hope that we can build a strong foundation from which to carry out the wishes of our Founder, Conrad Nicholson Hilton.

NEW LEADERSHIP WAS IN THE MAKING IN 1989.

Steve Hilton had just been elected vice president as well as to the Foundation’s Board. He was being mentored by Don Hubbs, whom he would ultimately succeed as president and CEO. Steve had taken a leave from his program staff position to earn his MBA from UCLA and, upon his return, designed and organized a Board retreat.

Recognizing the value in such opportunities as a visioning tool, the Board has convened retreats periodically as needed. They are typically hosted by Barron at his Flying M Ranch Conference Center in Nevada, a setting reminiscent of Conrad Hilton’s description of the Territory of New Mexico of his youth, as he described in his autobiography, *Be My Guest*: “There was a vastness here, more air, more sun, more space, and I thought that here a man drew some of that vastness into his soul. He could dream

big dreams, think big thoughts because there was nothing to hem him in.”

The men who gathered at the Santa Monica Airport on that November afternoon in 1989 sensed they were heading for a pivotal meeting. They boarded a plane that touched down on the mile-long runway at the Flying M Ranch. The men, Officers and Directors of the Conrad N. Hilton Foundation, had gathered to chart the future of the Foundation. Left behind were the years of controversy and litigation over the disposition of Conrad Hilton’s estate. “There was an air of relief,” one Board member recalls. “We thought, ‘Thank God it’s over,’” another adds. The mood of relief and reconciliation quickly gave way to recognition that tremendous opportunity and serious work lay ahead.

Facilitator James Shannon, a nationally known foundation executive and observer of philanthropy, told the group that the Hilton Foundation was “up on the step,” an aviator’s phrase for how a seaplane rises on its pontoons just before breaking free of the water and taking flight. However portrayed, the Foundation emerged from the 1980s far stronger and more energized than it had ever been. It had direction from the Founder’s Will, dedicated Directors, and the certainty of strong financial assets, approximately \$680 million and growing.

“Pro-act and don’t react, and while others are looking for the band-aids and aspirin, find the cure.”

DONALD H. HUBBS

THE 1989 RETREAT AFFIRMED THREE CORNERSTONES upon which the Hilton Foundation rests today:

- Assets must continue to grow to ensure perpetual giving;
- Mission is rooted in Conrad Hilton’s Will; and
- Strategy is based primarily on a major project approach.

“AS AN ORGANIZATION ESTABLISHED TO EXIST IN PERPETUITY, the Foundation takes a long perspective in asset management,” states Foundation Vice President-Administration and Chief Financial Officer Patrick J. Modugno. Much thought has gone into portfolio construction, on both the liability and asset sides. The portfolio was fully diversified within the Foundation and Fund in preparation for the 2009 merger of the two separate portfolios.

The Foundation employs program-related investment loans as a tool to better match assets and liabilities, stabilize the grant budget, and protect itself from negative consequences of swings in asset valuations. Structured as below market-rate loans, these loans can support a variety of charitable projects and activities. As the loans are repaid, the funds become available to the Foundation to recycle for other charitable purposes.

A strategy based on fair valuation, reasonable

returns at acceptable risks, and patience over time has been rewarding for the Foundation. Over the past 30 years, the assets and expectancies of the Foundation and its related entities have grown from approximately \$160 million to in excess of \$4 billion (as of September 30, 2008). This growth enables an ever-steady increase in the Foundation’s ability to provide grant dollars toward the alleviation of human suffering.

THE HILTON FOUNDATION FINDS ITS MISSION and guiding philosophy in the Last Will and Testament of Conrad N. Hilton. The graceful, sweeping, heartfelt language of the Will directs the Foundation to “relieve the suffering, the distressed and the destitute,” to “shelter little children with the umbrella of your charity,” and to support the Catholic Sisters, “who devote their love and life’s work for the good of mankind.” It further proclaims, “Let there be no territorial, religious, or color restrictions on your benefactions.” Beyond such phrases, however, the Will leaves it to the Board to translate its noble, open-ended charitable goals into specific, practical actions.

The Board’s 1982 Statement of Purposes held that it considered the Will “a sacred trust to be honored to the extent possible.” All Directors formally commit in writing to honor the spirit and sentiment expressed in the Will. The Board has dutifully followed the

Maximizing Impact

While the major project approach to grantmaking has been described as spending large sums of money over long periods of time, there is much more to this concept than that.

The major project approach is the difference between charity and philanthropy. Charity is a great and worthwhile virtue and one to be encouraged by individuals and other kinds of charitable organizations, to provide immediate and temporary relief. The private foundation can practice philanthropy because it is unlike other organizations in that it has a continuing existence with a lasting endowment.

The major project approach should contain the following elements:

- It can supply sufficient sums to fund a project to its ultimate completion;
- It should be doable;
- It should provide for a permanent solution or partial permanent solution to a social need; and
- It should seek out the most neglected, underfunded areas where the need is the greatest.

The project should be done in segments so that the Foundation can change, improve on, or, if necessary, terminate the original agreement.

Donald H. Hubbs

instructions of its Founder's Will, while the latitude granted in the Will has enabled change and growth with the times.

Steve Hilton comments,

I saw in my grandfather a man of great leadership and vision who combined an enthusiasm and skill for business with a warmth and sensitivity to those in need. Other values I admired in my grandfather include his strong sense of integrity and honesty, his spiritual faith, a vibrant optimism, and an openness and directness in dealing with all those with whom he came in contact.

Today, Board and staff alike emulate the Founder's energy and innovative spirit. Staff members are encouraged toward collaboration with other funding sources and partnerships with grantees.

“THE NEEDS OF THE WORLD ARE OVERWHELMING,” Don Hubbs would later say, “and I knew that we couldn't solve all the problems we wanted to.” He recommended a major project approach: find subjects that have received a paucity of attention, focus on areas where the Foundation could make the greatest impact, and invest for the long term. The Board shaped this concept to its own liking, and has used it as a guide for the bulk of its grantmaking. This sharpening and deepening of purpose caused the Foundation to shift toward a strong, pro-active position. By doing



so, the Foundation further solidified its identity. Since 1982, the Foundation has funded major initiatives that are designed either to bring about substantive systemic change or to become models for replication and expansion. Consequently, the Foundation neither encourages nor generally considers unsolicited proposals.

Today, this major project approach aims to identify a social need that has been overlooked or underfunded. A way is then sought to assist the largest number of people in the most efficient, cost-effective way, preferably with partner organizations and leveraged resources. “This research and groundwork can take several years,” Don Hubbs says. The Board then decides whether—usually after a probationary period of a few years—to commit to a long-term strategy of support until specific goals are reached.

The major project approach is now seen as visionary, especially in light of the recent trend among larger foundations to structure their grantmaking similarly. A quarter century of this approach has enabled the Foundation to translate the boundless goal of alleviating human suffering into concrete terms; maintain focus and think strategically; maximize impact of limited resources; and develop expertise and relationships in program areas.

Today, the Hilton Foundation reaches out globally with an entrepreneurial spirit, as did Conrad Hilton in

building his hotel company and supporting international causes. The huge globe from Conrad’s office—a favorite prop for photographers taking his picture—now adorns the Foundation’s lobby, serving as a tangible reminder of this worldwide legacy. Currently, approximately 50 percent of grants awarded support activities outside of the United States.

While the bulk of resources are devoted to large-scale, long-term projects, some smaller grants are awarded as well. The Foundation enjoys the flexibility inherent in a family foundation that makes it possible, for example, to mobilize rapidly in response to a natural disaster.

ACCOUNTABILITY IS VALUED AT THE FOUNDATION. Often relying on personal inspections, Conrad Hilton insisted on top performance from his managers and staff. The Hilton Foundation follows this philosophy today, holding its grantees accountable for their performance and conducting evaluations that range from grantee reports to site visits by Foundation Officers, Board members, and/or staff to formal evaluations by outside professionals. The Foundation finds these tools useful in helping grantees achieve their goals and, at the same time, in fulfilling its responsibility to be a good steward of the assets entrusted to it.

In an effort to streamline its grantmaking process with lean staff, the Foundation has invested



▲ SEATED: John L. Notter, Gregory R. Dillon, Barron Hilton, Steven M. Hilton, Robert Buckley, M.D., and William G. Ouchi STANDING: Conrad N. Hilton III, William B. (Barry) Hilton, Jr., Eric M. Hilton, Hawley Hilton McAuliffe, and James R. Galbraith

Rose Arnold, long-time Foundation grants manager, comments, “We got in on the ground floor of electronic database management systems, and today they serve as the lifeline of our grantmaking.”

The Foundation has chosen to function with a comparatively small staff by supplementing with consultants. Consulting expenses generally constitute a small percentage of the grant and operating budgets and help the Board fulfill its obligation to spend wisely.

FOR MORE THAN A HALF-CENTURY, Hilton family members constituted a minority on the Board. However, in 2005 the Board amended the Articles of Incorporation to ensure that direct descendants of the Founder would constitute a majority. The Board

in an electronic grants management database to further its mission. This database enables the Foundation to track and report on its grants more efficiently and effectively.

currently includes two second-generation and four third-generation family members.

Many members of the Hilton family have been involved in their own personal charitable giving and other activities for years. Today, numerous family members are being brought into the philanthropic fold through a new gifting and educational program recently launched within the Foundation. The program, Generations in Giving (GIG), is intended to bolster the charitable impulse as well as serve as a training ground for future Foundation Board service. Former Grants Coordinator Ann Cortez, who helped design the GIG program and managed it at its outset, cites one instance of the program in action:

Beverly Hilton Neapolitan called me to say that she had read a story in the paper about children in Haiti who are so poor that they eat cookies made out of dirt and shortening for meals—they eat dirt cookies, and it broke her heart. So she asked me if I knew of any good organizations helping to feed the poor in Haiti. It was important to her to find a good organization, one that could be trusted to use Foundation funds well. We

Board of Directors of the Conrad N. Hilton Foundation

GREGORY R. DILLON (through February 18, 2009)

Vice Chairman and Director Emeritus, Hilton Hotels Corporation; former attorney and Assistant to Conrad Hilton; Founding President (ret.), Conrad Hotels; associated with Hilton Hotels for 59 years. (1994)

WILLIAM H. FOEGE, M.D., M.P.H.

Chairman, Global Health Council; Senior Advisor, Bill & Melinda Gates Foundation. (2007)

JAMES R. GALBRAITH

Senior Vice President of Corporate Affairs (ret.), Hilton Hotels Corporation; corporate and government executive; print and broadcast journalist. (1989)

BARRON HILTON*

Chairman, Conrad N. Hilton Foundation; former Chairman and Co-Chairman, Hilton Hotels Corporation; President and Chief Executive Officer (ret.), Hilton Hotels Corporation; Founder, Los Angeles (San Diego) Chargers; Co-Founder and former President, American Football League. (1950)

CONRAD N. HILTON III**

Former Vice President, Conrad N. Hilton Foundation; former Director of Development, Hilton Hotels Corporation. (2001)

ERIC M. HILTON*

Former Vice Chairman, Hilton Hotels Corporation; Executive Vice President (ret.), Hilton Hotels Corporation; President (ret.) and Director (ret.), Conrad Hotels. (1968)

STEVEN M. HILTON**

President and Chief Executive Officer, Conrad N. Hilton Foundation. (1989)

WILLIAM B. (BARRY) HILTON, JR.**

President, Hilton Development Group. (1991)

HAWLEY HILTON McAULIFFE**

Community volunteer; former Assistant Director of Public Relations, The Waldorf=Astoria Hotel. (2006)

JOHN L. NOTTER

International financier and developer; former Director, Hilton Hotels Corporation; Operating Head (ret.), D.K. Ludwig Group. (2005)

WILLIAM G. OUCHI

Sanford and Betty Sigoloff Distinguished Professor in Corporate Renewal, UCLA Anderson School of Management. (2006)

DIRECTOR EMERITUS: DONALD H. HUBBS

Chairman, President, and Chief Executive Officer (ret.), Conrad N. Hilton Foundation. (1981)

* Second-generation family.

** Third-generation family.

Year of election to the Board in parentheses.

For the first time in more than 40 years, the list of Directors does not include the name of Robert Buckley, M.D., who passed away in 2007 at age 83. Board service was his labor of love, and he was a wonderful ambassador. Whether trudging up a remote mountain trail in Haiti to visit Catholic Sisters or sharing a physician's perspective at Board meetings, Bob brought thoughtfulness, compassion, and humor to many corners of the globe. His warm spirit continues to be missed.

We lost another valued Board member when Gregory R. Dillon passed away in February 2009 at age 86. His storehouse of knowledge and network of relationships, acquired while working directly with Conrad and Barron Hilton for decades, are irreplaceable and have helped advance the Foundation's activities significantly. His loyalty, sincerity, and perpetual desire to participate will long be remembered by the Foundation, by our family, and by thousands connected with Hilton Hotels worldwide. — Steven M. Hilton



William H. Foegen, M.D., M.P.H., was elected to succeed the late Robert Buckley, M.D.

The Hilton Foundation’s Core Values and Activities

1. Creating a collegial, respectful, and participatory environment for both Directors and staff;
2. Encouraging an entrepreneurial spirit, reflecting Conrad Hilton’s legendary reputation as one of America’s most successful businessmen of his time;
3. Viewing ourselves as “investment bankers” in philanthropy—that is, we don’t just give money away, but “invest” it with nonprofit grantees whose return on investment is measured in lives helped;
4. Respecting our grantees as full “partners” whose dedication, hard work, and expertise are essential to fulfilling our own philanthropic mission;
5. Responding promptly and courteously to inquiries;
6. Striving constantly to improve our operations—both grantmaking and administrative;
7. Exercising wise stewardship of the assets entrusted to our care; and
8. Sharing a profound sense of the tremendous responsibility we have in carrying out Conrad Hilton’s philanthropic wishes in order to assist most effectively those in need.

Source: Conrad N. Hilton Foundation *Board of Directors Manual*.



▲
Partners In Health Co-Founder
Dr. Paul E. Farmer in Haiti

looked into a few groups and she selected Partners In Health for recommendation to the Board of Directors. So through the Generations in Giving program, she sought out a way to relieve human suffering, addressing the needs of children, and carefully selecting an organization that would use the funds effectively. I think Conrad Hilton would be proud.

Prior to the inception of GIG, a number of fourth-generation Hilton family members had already engaged in voluntarism. While still a teenager, Justin McAuliffe volunteered at an orphanage in China, stimulating the growth and development of young children who would otherwise have little human contact throughout the day. His brother, Hilton McAuliffe, participated in a program that enabled university art and art history majors to become volunteer mentors, bringing visual arts education to underserved Catholic elementary school students in Los Angeles.

TODAY, THE CONRAD N. HILTON FOUNDATION and its related entities comprise a global grantmaking enterprise that carries out the Founder’s legacy of international humanitarianism. Representative programs are profiled in Part IV. ■

Part IV
Serving Humanity
Worldwide

cnhbf

THE LIVES OF COUNTLESS BENEFICIARIES have been touched by programs of the Conrad N. Hilton Foundation and its related entities. Commenting in his final Chairman's Message after 36 years of esteemed service to the Foundation, Don Hubbs wrote,

While the world will little recognize the importance of what has been done and the beneficiaries may never know their source, an indelible stamp of the Hilton Foundation will always be on them....During my tenure as president I considered it a solemn duty to bring projects with a purpose that conformed to Conrad Hilton's expressed wishes as well as those that carried out the principles he believed in and avoided those that were simply "good" or "nice" or that "promoted the name of the Foundation" or some other euphemism....It is now up to future Boards and staff to carry forward and not only complete the tasks that have been started but to advance new projects of greater magnitude to carry out the admonitions of Conrad Hilton in his Last Will.

Part IV Contents

Part IV offers a broad look at major programs and other representative grantmaking that the Foundation has supported in recent years throughout the United States and abroad.

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◀ (FAR LEFT)
Conrad Hilton and Sister
Jacqueline Grennan, SL, of
Webster College

Faithfully Supporting Roman Catholic Sisters

THE MOST ENDURING INFLUENCES to shape Conrad Hilton's philanthropic philosophy, beyond those of his parents, were the Roman Catholic Church and its Sisters. Laboring in many poor and developing countries, thousands of Catholic Sisters tend the sick, educate the children, and advocate for safety and improved living conditions. Many of these Sisters live and work under extraordinarily difficult—and often dangerous—conditions. Sisters are routinely stationed in remote, barely accessible locations, their living quarters may lack basic amenities, and their work areas are frequently dilapidated, unsanitary, and under-resourced medical clinics, schools, and social service facilities. In many countries, lawlessness, civil unrest, and rebellion pose dangers to the Sisters and their charges.

Conrad Hilton's lifelong giving was based on a profound and personal faith. In honoring his legacy and fulfilling his Last Will, a significant portion of the funds he bequeathed continually further the Sisters' work worldwide on behalf of the disadvantaged as described in the following three stories: one about Conrad himself,

another about the Hilton Foundation, and a third about the Conrad N. Hilton Fund for Sisters.

The First Story: Conrad Hilton

THE ROOTS OF CONRAD HILTON'S REVERENCE FOR THE SISTERS ran deep. Conrad's mother, a devout Catholic herself, insisted that her son be instructed in the Catholic faith. Young Conrad attended regular school in his hometown of San Antonio, Territory of New Mexico, but traveled to the Sisters of Loretto in nearby Socorro for religious instruction. During his free time, the boy would visit the Loretto Convent in Socorro and help with chores, thus beginning a long association with the Sisters of Loretto, a congregation of women religious founded in 1812 in Nerinx, Kentucky.

Many Sisters became personal friends, and Conrad supported their ministries, especially those that educated children. One of those personal friends was Sister Carlita Woods, SL, who first met Conrad when he was 43 years old. As Sister Carlita moved from one Catholic school to another, Conrad kept in touch and sent checks to assist the schools where she taught. A cache of more than 200 letters between Conrad and Sister Francis Aloys Hunleth, SL, chronicles yet another long friendship.

THE SISTERS WERE FREQUENTLY A CONDUIT FOR CONRAD'S GIVING to projects in poor

countries. In his charitable endeavors, as in his business dealings, Conrad sought the best return possible for his investment. He always knew that a dollar invested with the Sisters would pay dividends many times over—helping the greatest number of disadvantaged people—because of the Sisters' prudent expenditure of any funds received. In his Last Will, Conrad even warned Directors of his Foundation: "...beware of organized, professional charities with high-salaried executives and a heavy ratio of expense." He knew that no such concerns attended the congregations of Sisters and ministries.

The Second Story:

Conrad N. Hilton Foundation

ATTENTION TO THE NEEDS OF ROMAN CATHOLIC SISTERS is seen as an important and ongoing responsibility by the Officers and Board of the Hilton Foundation. Their commitment arises from the language in Conrad Hilton's Last Will. Speaking of "little children," he went on: "Give aid to their protectors and defenders, the Sisters, who devote their love and life's work for the good of mankind, for they appeal especially to me as being deserving of help from the Foundation." While the Conrad N. Hilton Fund for Sisters has become the

Conrad N. Hilton



President
Hilton Hotels Corporation
2220 Santa Monica Boulevard
Beverly Hills, California

September 10, 1958

Dear Sister Francis Aloys:

I received your letter and it is true that I am quite busy but I am not too busy to give attention to letters from you.

I thought you might be interested in knowing that in June I was on a television program and offered to send my prayer, AMERICA ON ITS KNEES, to anyone and on the Monday following I received twenty-eight thousand letters and cards in one day. It took a truck to deliver this mail.

Now I would like to know if you have been able to raise any more money, or whether you are still in the hole for the twelve thousand dollars and the purpose of this letter is to tell you not to worry any more about that money and whatever you have not been able to raise, I will raise for you and you may tell your contractor and the Bishop that you have this letter from me and that you proceed to finish the building as per your letter to me of September second.

With kind regards to you and the other Sisters,

Sincerely yours,

Conrad N. Hilton
CONRAD N. HILTON

Sister Francis Aloys
St. Joseph's Convent
Box 64
Taos, New Mexico

CNH:ow

A LITTLE TRIBUTE
to
Mr. CONRAD N. HILTON



- H** is for his great HEART that shares the profits of his dreams with those who are afraid of dreams.
- I** is for the IDEALIZATION that sees well-earned wealth as a trust from God to aid his countrymen.
- L** is for the LIGHT-HEARTEDNESS that oft-repeated adversity could never quench.
- T** is for his TRUST in God and fellow men, that saw him through, where others gave up hope.
- O** is for the many OPPORTUNITIES seen and grasped with unfailing insight of success.
- N** is for his NATION'S pride in one of her own, who built solid structures out of the fragile substance of his dreams.



The Sisters of Loretto at Taos

L. V. L.
Saint Margaret's Home for Children
491 Saint Matthews Street
El Paso, Texas 79907

Christmas 1968

Mr. Conrad N. Hilton

Dear Mr. Hilton,

Our most sincere thanks
your generous Christmas gift. We deeply appreciate
your thoughtfulness that has brought so much
into the hearts of our children here at Christmas
for enabling us to further look after their welfare
Sharing as you do in such a wonderful way will un-
doubtedly bring its own reward of inner comfort and peace;
these blessings we ask for you in our daily prayers as do
the children each night when they ask "God to bless all those
who are good to us"

That the New Year be for you one of peace and success
crowned with God's choicest gifts is the heartfelt wish

Yours gratefully
The Sisters

of
St. Margaret's Home

principal conduit for Sisters funding, the Foundation has over the years also directly supported many Sisters' endeavors at home and abroad.

TRAINING FOR CATHOLIC SISTERS IN AFRICA

and elsewhere is a current example of the Board's direct commitment to Sisters. These Sisters are emerging as a strong source of hope for the future. They work to improve the course of life by serving where the needs are greatest—in schools, villages, healthcare facilities, and human service programs across the continent. Yet, Sisters charged with running these projects often lack training in leadership, project management, accounting, proposal writing, project evaluation, business English, and technology.

In an innovative partnership envisioned and proposed to the Board by Steve Hilton, the Foundation is supporting the development of a management and leadership training program to enable Sisters to gain these proficiencies. The program has begun in Africa and, if successful, may expand to other parts of the world. The Sisters Leadership Development Initiative, operated by Marywood University of Scranton, Pennsylvania, will train 340 African Sisters in five countries during the three-year pilot phase. Those Sisters are expected to share their training with an additional 1,020 Sisters. In addition, a Foundation grant



has enabled DePaul University to create a bachelor's degree program in Kenya for African Sisters to develop competencies in leadership and management.

The Third Story: Conrad N. Hilton Fund for Sisters

MANY SISTERS BELONG TO SMALL, POOR, INDIGENOUS RELIGIOUS CONGREGATIONS as opposed to the better connected international Orders. They speak only their native language. If they know about private grantmaking foundations, they might lack the skills or means to prepare proposals for financial support. It is the Sisters least in contact with the wider world and most in need of support whom the Conrad N. Hilton Fund for Sisters seeks out and assists.

The Conrad N. Hilton Fund for Sisters was established by the Hilton Foundation in 1986 to channel its contributions to Sisters' projects that mitigate the suffering of the disadvantaged. Operating under the auspices of the Archdiocese of Los Angeles, it is governed by a committee whose chair is the Archbishop

Throughout his life, Conrad Hilton drew inspiration from the Catholic Sisters' profound commitment to alleviate human suffering.

of Los Angeles, Cardinal Roger M. Mahony, and whose members consist of four Hilton Foundation appointees and four Sisters appointed by the Committee of the Fund for Sisters. Two of the Sisters are from Religious Congregations specifically mentioned in Conrad Hilton's Last Will. The Fund for Sisters was designated the primary beneficiary of the Conrad N. Hilton Fund.

In contrast with the Hilton Foundation, which makes a small number of large grants, the Fund for Sisters makes a large number of small grants. Grants seldom exceed \$15,000.

SINCE INCEPTION, the Fund for Sisters has contributed more than \$70 million through more than 7,000 grants, enabling Sisters to serve the poor and disadvantaged in more than 130 countries. Over the years, its funding has shifted from the developed to the developing world. In 1999, two-thirds of grants were being awarded to international projects and one-third to United States projects. Currently, approximately 90 percent of its funds are distributed overseas, including approximately 30 percent to countries designated as least developed by the United Nations. To qualify for funding, a project must directly serve the poor and disadvantaged and have at least one vowed member of an officially recognized Roman Catholic congregation of women religious directly involved in a full-time capacity.

While funding areas are periodically reassessed, all are humanitarian; current areas include literacy and education; job creation training and development of small business enterprises; maternal and infant health care; HIV/AIDS education, treatment, and support; water purification, nutrition, and agricultural projects; women's empowerment; and aid to refugees, immigrants, orphans, and others in special need.

Successive executive directors of the Fund for Sisters have reached out worldwide to make the Fund for Sisters widely known and more accessible. In addition to extensive outreach, access to e-mail and cellular phones has also contributed to an increase in the number of applications. The Fund for Sisters currently awards funding to nearly 800 projects annually.

Following are examples of projects that the Fund for Sisters supports.

IN AFRICA, hardly any project comes to the attention of the Fund for Sisters that is not connected with HIV/AIDS. Sisters who manage orphanages are particularly concerned about HIV/AIDS because most children in orphanages lost their parents to the disease. One approach that is becoming increasingly common for Sisters in Africa is to train young people to become educators of their peers. Trained by Sisters, the young people go in groups to schools and parishes to talk to



◀
Ghana

their peers about the dangers of HIV/AIDS and how to prevent the disease. This approach started in Uganda and is now used in Kenya, Rwanda, Tanzania, and elsewhere.

The Fund for Sisters supports water projects in Africa, such as drilling boreholes, building dams, and seeking ways to bring water to people. In an extraordinary project in Kenya, Sisters identified an abandoned water project designed to bring water from Lake Victoria to the middle and western part of Kenya. The Sisters obtained Government approval to rejuvenate the project. A Fund for Sisters grant helped buy pumps and pipes. The project now makes water available to 200,000 people.

One of the biggest problems throughout Africa is deforestation. Sisters there are seeking ways to use solar and bio-energy, because there is no wood left to burn. They are teaching the people how to use these new methods.

IN NICARAGUA, Sisters bought 12 pigs, collected the refuse into a tank, and produced methane gas for use as cooking fuel. The process helped villagers solve their energy shortages, and also slowed the cutting down of scarce trees.

IN INDIA, the Fund for Sisters continues to support the National Domestic Workers' Movement, founded by a Sister who has been fighting for tenants' rights for women and children who are domestic workers. The project helps the tenants to understand existing laws that protect them. The women and children live in vast slums in different sections of India and basically become slaves. Fund for Sisters Executive Director Sister Joyce Meyer, PBVM, speaks of the Sister who founded the program and whose life was subsequently threatened:

That Sister has done unbelievable things to help these women and children to gain their rights. For instance, if they are beaten, she now has friends in the police who will go in and rescue these women and kids from abusive situations. Then she provides education,



such as literacy training, helping them to understand that they do have rights.

THE FUND FOR SISTERS OCCASIONALLY MAKES LARGER GRANTS and partners with the Foundation, as in the case of the HIV/AIDS education project of the Haitian Health Foundation in Jérémie, Haiti. Small planes are the preferred way of reaching Jérémie due to the extremely poor road conditions.

Medical facilities and living conditions are often sub-standard. Attempting to serve the medical needs of 200,000 people in Jérémie and surrounding villages is the Haitian Health Foundation clinic. A staff of nearly 180 people, including two Roman Catholic Sisters, operate a large outpatient clinic, a maternal waiting home for women in high-risk pregnancies, an in-patient center for severely malnourished children, an out-patient nutritional recuperation program, an extensive public health outreach program extending to 104 villages, and various development projects.

One challenge is the spread of HIV/AIDS. Another is the lack of resources. In the late 1990s, the Haitian Health Foundation came to the attention of the Hilton Foundation and its collaborating entities, including the Conrad N. Hilton Fund for Sisters. At this time, the Fund for Sisters had become interested in the spread of HIV/AIDS as a rising public health concern throughout the world, and was seeking appropriate humanitarian funding opportunities. The village of Jérémie, located in the poorest country in the Western Hemisphere, seemed like the perfect place to begin Hilton involvement in stemming the rise of HIV/AIDS among poor populations.

The Fund for Sisters awarded the clinic a grant of \$100,000 over three years, which the Hilton Foundation matched. With funds from Hilton and other sources, the clinic began to train nurses and public health workers on how to prevent the transmission of HIV/AIDS, in addition to a full-scale effort to educate the public about this devastating disease. Both the Hilton Fund for Sisters

and the Hilton Foundation have continued to support the Haitian Health Foundation's efforts to promote health and well-being among the poorest of the poor in rural Haiti.

CONRAD HILTON ALWAYS SAID that he received more than he gave to the Sisters. Throughout his life, he drew inspiration from the Catholic Sisters' profound commitment to alleviate human suffering. The Hilton family's commitment to support the Sisters is a major building block of his philanthropic legacy. ■

A Sister Bears Witness

Sister Joyce Meyer, PBVM, executive director of the Conrad N. Hilton Fund for Sisters, reflects on her experiences with some Fund for Sisters beneficiaries:

Cameroon, 2003 – I stopped by a leper colony where four Sisters look after 60 elderly patients because they have no one else to care for them. The lepers who still have their hands are able to earn an income by weaving hats from grass, painting pictures, and producing other handicrafts.

El Salvador, 2004 – I witnessed first-hand how the country's 12-year-long civil war (1980-1992) has continued to affect the land and its people. I visited a mental health project that helps villagers recover from the loss of their loved ones and their experiences as torture victims by teaching them self-healing techniques.

Slovakia and Romania, 2005 – My visits provided me with a clearer understanding of the challenges and issues faced by Sisters emerging from the restrictions of communism. In Slovakia, I saw how churches and convents that had been left to deteriorate during the communist era are being restored. In Romania, I made a presentation about the Hilton Fund for Sisters to representatives of 20 congregations who were excited to learn that we could help them initiate their projects.

Vietnam, 2006 – When the children first began attending school, they were very malnourished, so the Sisters requested funds to purchase soybean machines for each school to make milk. With just two cups of soy milk each day, the children's health greatly improved. The Sisters use the leftover bean product to feed their pigs. The Sisters have also combined their efforts with a nearby vocational school to upgrade the teaching standards of local teachers to the national level.





Seeing Beyond Blindness

FROM THE AGE OF 19 MONTHS, Helen Keller was unable to see, hear, or speak, yet she mastered written and oral communication, a feat that stunned the world—as well as young Conrad Hilton. Only eight years older than Conrad, Miss Keller inspired the teenager as he read her famous book, *Optimism*, which he found on his mother’s sewing table. In that book, the brilliant young Keller wrote, “Optimism is the faith that leads to achievement; nothing can be done without hope.” Adopting that concept, the young Conrad Hilton determined to turn his life toward thought and action. “I thought she was great,” he wrote of Helen Keller years later. “I still do.”

Conrad’s lifelong admiration of Miss Keller has found new voice in a major Hilton Foundation program, which began more than a quarter century ago. As a courtesy to an acquaintance, Don Hubbs agreed to talk with a man who had a compelling story to tell. For a spellbinding hour one afternoon in 1982, Seymour Pearlman told him of the barriers that faced parents of children who were blind and suffered from additional disabilities. Mr. Pearlman described his efforts, and those of his wife, Bernice, to help their son, Larry, who

Number of Countries with Programs for Blind Children with Multiple Disabilities:

9: When Hilton/Perkins began

63: Today

International teachers
attending a year-long program
at Perkins School for the Blind

was blind, brain damaged, and epileptic. In California, teaching facilities for their son were virtually nonexistent. There were places for the blind and there were places for the developmentally disabled, but there was no satisfactory place for a child who was blind and developmentally disabled. The Pearlman deemed unacceptable the only available options of a state hospital or board-and-care facility.

Bernice Pearlman recalls the words of Larry's pediatrician, spoken when Larry was but a toddler, that gave their family the strength to persevere:

Don't give up on this kid. He has normal to above normal intelligence. I know what this kid will do. He's going to walk. He's going to speak. But he will need training, and there's not one place that I can send you for help.

Together with a small group of parents, the Pearlman had founded the fledgling Therapeutic Living Centers for the Blind (TLC) in the Los Angeles area, serving seven youngsters. They wanted to expand, serve more children, spread the word, turn the tide. Seymour Pearlman needed help. Don Hubbs not only listened, but heard.

Don engaged the Board in discussions about blindness and about how the Hilton Foundation might find a way to help. Board members recalled Conrad Hilton's wish in his Last Will that his Foundation

would support those who "suffer...in darkness." They knew about Conrad's admiration for Helen Keller. The Foundation's history of giving to TLC began then, continues today, and has been key to TLC, which currently houses 76 adults and offers day programs to an additional 155 children and adults.

NOW DIRECTLY ACQUAINTED WITH THE CIRCUMSTANCES

of individuals who are blind with multiple disabilities, the Board sought an effective way to make a difference on a larger scale. Research quickly uncovered Helen Keller's alma mater, Perkins School for the Blind in Watertown, Massachusetts.

Founded in 1829, Perkins is the oldest school for the blind in the United States and one of the oldest in the world. Perkins had served children who are blind with multiple disabilities since its inception, and its leadership envisioned someday extending teaching expertise to Africa, Asia, Eastern Europe, and Latin America, which had large disabled populations but few services for children with disabilities. Perkins was seeking ways to serve such children when approached by the Foundation.

In 1989, the Foundation Board approved the first of a series of large, multi-year grants and a low-interest loan (program-related investment) to enable Perkins to extend overseas its expertise in early intervention, teacher training, support for parent organizations, and



curriculum and material development. Thus began a landmark collaboration that is still expanding and opening a new life for thousands of youngsters worldwide. With support in excess of \$65 million, the program is one of the largest commitments in Hilton Foundation history. Optimism and hope continue to guide the Hilton/Perkins Program, as it did Helen Keller and Conrad Hilton.

WHEN THE HILTON/PERKINS PROGRAM BEGAN, only nine countries had any kind of program for children who were deafblind or blind with multiple disabilities. Only 250 children were attending the 11 schools that even existed. Today, Hilton/Perkins assists 265 schools and agencies and 20 universities in 63 countries. Since 1989, Hilton/Perkins has provided direct services to 217,000 children, parents, teachers, and university students, including 20,000 children who receive an education each year.

With Hilton/Perkins support, master's programs in multiply disabled education have been expanded in seven American universities, and professional literature is being translated from English into at least 21 other

languages. Every year, Hilton/Perkins:

- Adds projects in two or three countries that have no services, and expands operations in countries with existing services;
- Offers a year-long program at Perkins to enable a dozen highly qualified teachers from all over the world to become master teachers and pass along the latest techniques and technologies to their counterparts at home; and
- Facilitates networking among teachers and trainers, school leaders, government and nonprofit agency officials, and parent activists to raise skill levels and reduce isolation.

At Perkins, the Deafblind Program is now housed in the Conrad N. Hilton Building, which was dedicated at a 1994 ceremony at which former President George H.W. Bush delivered the commemorative address. The Perkins Preschool in the Northeast Building is now called the Donald H. Hubbs Children's Center.

Following are brief descriptions of the Hilton/Perkins Program in three representative countries: Brazil, where the Program has operated for years and is fully mature; Bulgaria, where it has operated for only a few



◀ Former President George H.W. Bush and Donald H. Hubbs

▶ National deafblind conference in Brazil

years and is still growing; and Sri Lanka, where the Program is relatively new.

WITH A CATALYTIC LIFT FROM HILTON/PERKINS, Brazil is educating deafblind and blind children with multiple disabilities. Hilton/Perkins began work in Brazil in 1991, and today the original model program has been replicated in scores of communities across this immense, resource-rich country.

In the early days, educators in São Paulo, the largest city in South America, were just beginning to explore how to work with children with deafblindness and multiple disabilities. Two programs offered services in São Paulo: the Anne Sullivan School and the Associação para Deficientes da Áudio Visão each operated small units. A third school, operated by Associação Educacional para Múltipla Deficiência, was just opening and would serve 10 children.

Hilton/Perkins representatives assisted their Brazilian partners in assessing the total needs. Lacking a national vaccine program, children were being born deafblind as a result of maternal rubella. Facilities were needed for children from São Paulo and surrounding regions, where parents often traveled up to five hours each day to obtain minimal services for their children. Most funding was raised privately, with minimal support from government programs.

Hilton/Perkins initiated a university training program that has produced 200 teachers qualified in deafblind education, many of whom have gone on to earn master's degrees. They are the first such qualified teachers in Brazil. Each year, program staff provides in-service training to more than 400 teachers and family members.

Hilton/Perkins enabled Brazilian educators to launch an early intervention program that now serves 200 infants annually with an active referral system within the city's educational services. The parent organization has grown from 10 parents to 200 parents, spread nationally, and initiated a national vaccine campaign.

One of the most outstanding achievements of the Brazilian educators has been in developing the original program into model services that are being replicated throughout the country. The funding for those services within government and non-government systems has been raised. Today, those projects are nationally recognized and receive Hilton/Perkins support at 20 sites throughout Brazil.

As a measure of program growth and spread, a national deafblind conference was held in São Paulo in 2005 and again in 2007. On each occasion, some 400 teachers, parents, and deafblind persons from throughout Brazil attended the three-day event. The government funded all on-site costs.



DURING THE 40-YEAR WINTER that was postwar communist rule, a lone Bulgarian educator almost single-handedly kept alive the vision program at Sofia University. When Hilton/Perkins representatives first visited Bulgaria in 1991, they were introduced to Dr. Vladimir Radulov, by then the graying and distinguished dean of education for the blind in his country. His counterpart as the new director of the Varna School, on the other side of the country, was Peter Petrov. These two individuals have demonstrated how a handful of people can change the direction of a nation's education programs for children who are blind or deafblind with other disabilities.

After visiting the Perkins campus, they became advocates for children who are blind with other disabilities in Bulgaria. Along with a young lecturer at Sofia University, Mira Tzvetkova, in 2000 they decided to launch a national transition toward the education of children who are blind or deafblind with other disabilities. Soon, others joined this group to help develop a program in Sofia. Perkins staff members visited Bulgaria for consultations. Sofia University became the first university in the Balkans to offer coursework for teachers in educating multihandicapped

blind and deafblind children. Today, the Sofia School for the Blind and Varna School serve large numbers of children who are blind or deafblind with other disabilities, and train many more teachers throughout their regions.

POLITICAL, TOPOGRAPHIC, AND CULTURAL REALITIES

pose challenges to Hilton/Perkins operations in Sri Lanka, one of the newer Hilton/Perkins undertakings. Political turmoil requires program personnel to be circumspect in travel and to avoid dangerous regions. Topography and transportation challenges make it difficult for families to bring their children to specialty schools in the urban centers. In addition, many hold cultural beliefs that any impairment of a child results from misdeeds of one or both parents. Most children with impairments are kept at home in solitary quarters, away from the eyes of neighbors and only whispered about.

Despite these conditions, the Hilton/Perkins Program has brought to Sri Lanka its expertise and focus on educating deafblind children. Since 2003, Hilton/Perkins has supported the development of a special unit

A Brazilian Mother Talks About Her Son

We were tired of looking for a place to help us. I got from many institutions the word “no” as an answer, and other schools said it was impossible to educate children like my son. Here at Associação para Deficientes da Áudio Visão, it was different. Since the first moment, I was well oriented and also very welcome. In the program of ADefAV/Perkins, my son is constantly stimulated. He has been developing a lot in the motor, visually, auditive, and cognitive.

Emedice Senna da Silva, whose five-year-old son has vision and hearing disabilities as well as motor and cognitive delays

A Hidden Child Emerges

Nuria hid in the lap of her scared and embarrassed mother when the two arrived at the Varna School. With impaired vision and suffering from cerebral palsy, the eight-year-old had difficulty moving around, threw her toys away, did not know how to ask for anything, and presented as a capricious and nervous child.

After four years at the Varna School, 12-year-old Nuria had become an energetic and inquisitive girl. She could take care of herself, arrange and fold her clothes, go shopping with pleasure, make sandwiches, paint, sing, and dance. She arranges her daily activities and helps other children in the class. She adores being an actress and loves to play the part of the teacher. Nuria is still working on expressing herself and on pronunciation, but she has come a long way in four years.

‘They Realize This Work Is Important’

Public officials are initially skeptical that public resources should be spent on these children. However, once they see that these children can learn and be contributing members to, rather than a drain on society, they realize this work is important, that it adds to the whole matrix of society, and that it is very worth doing.

Michael T. Collins (1947-2008)

Director, Hilton/Perkins Program

Hilton/Perkins Program Director
Michael T. Collins in India

at the School for the Blind in Ratmalana, the first and only one of its kind in Sri Lanka. A specially trained teacher instructs 11 students in communication skills, concept development, motor skills, daily living skills, and mobility. The children live in the general society and are learning to communicate.

Deafblind children studying at the School for the Blind attend class all day with classmates and live in dorms. They develop friendships and participate in sports and extracurricular activities. The first program in the nation will become a future resource to other agencies that wish to serve the population. The ultimate goal for the children is to become independently functioning people in the community, to the extent that independence is possible for each student.

SUCCESS IN BUILDING EDUCATIONAL

PROGRAMS for children who are deafblind or blind with multiple disabilities depends far more on parent and government attitudes than on money and professional expertise. In countries that lack schools for these children, many parents tend to keep their children at home or hidden, are reluctant to take their children out in public, or do not include them in group play or any kind of community activity.

When the children are enrolled in a school, however, attitudes begin to change. The children are



now visible in the community, and parents begin to realize that their child is part of the larger society. Many schools in the Hilton/Perkins universe now publicize their activities. They provide newspapers and television stations with stories about what they do and what their students can do.

Government attitudes are also capable of change. Many Hilton/Perkins efforts start with a small group of people in communities lacking any schooling for their children. In many cases, Hilton/Perkins works with these small groups, and with small private agencies, to start a good educational service for children, and then later brings in public officials to show them what has been accomplished. Local media are increasingly portraying these efforts as success stories, and public officials want to be part of that success. Departments of Education are beginning to agree to pay teaching staff in these schools, when previously they would have doubted the value of this kind of educational effort.

Michael T. Collins served as director of the Hilton/Perkins Program from its inception until his loss to cancer during the development of this book. Colleagues remember him as “a towering, soft-spoken man whose quiet voice belied a powerful impact on the lives of many.” Steve Hilton adds that “Mike was the heart and soul of Hilton/Perkins, and his devotion and compassion were evident to all who knew him.”

THE FOUNDATION WAS ONE OF THE FIRST MAJOR DONORS to sponsor worldwide distribution of vitamin A capsules and promotion of vitamin A-rich foods. Vitamin A deficiency can lead to xerophthalmia, the major preventable blinding condition in children. Most children who become blind from lack of vitamin A will die within one year of becoming blind. The Board voted to support Helen Keller International (HKI) programs to work with governments and other non-governmental organizations to distribute millions of low-cost capsules twice a year to children in Bangladesh, Burkina Faso, Indonesia, Niger, and the Philippines.

Foundation support has strengthened HKI’s leadership role in influencing top-level decision makers to address the global problem of vitamin A deficiency. HKI’s technical assistance to Ministries of Health has saved the sight and lives of countless children throughout Africa, Asia, and the Americas. Helen Keller was HKI’s founding trustee, and the organization’s work over the past 90 years reflects her conviction that “alone we can do so little; together we can do so much.”

TRACHOMA IS THE LEADING CAUSE OF PREVENTABLE BLINDNESS in the world. This eye disease, one of the oldest infectious diseases known to mankind, is rooted in poverty and typically affects people living in overcrowded conditions with limited



access to clean water, proper sanitation, and healthcare. Trachoma is a painful disease that, left untreated, leads to complete blindness. It afflicts an estimated 84 million people worldwide, of whom 8 million are visually impaired. The disease is endemic in many of the poorest and most remote areas of Africa, Asia, Australia, Central and South America, and the Middle East.

The World Health Organization endorses an integrated strategy to control and eliminate blinding trachoma called SAFE:

- Surgery for those at immediate risk of blindness
- Antibiotic therapy to treat active cases
- Facial cleanliness and hygiene to reduce transmission
- Environmental improvements to reduce risk of transmission

In 1997, the Foundation Board approved a \$20 million, 10-year commitment toward the treatment, control, and elimination of trachoma as a blinding disease, with more funds added later. The bulk of the funds went to The Carter Center, headed by former President Jimmy Carter, which was already working to eradicate Guinea worm in countries where trachoma was also endemic. The Carter Center focuses on hygiene, community mobilization, and technical expertise.

Water is a critical goal, as is building latrines, which greatly reduce the population of flies that are vectors for the transmission of trachoma. Flies

spread trachoma and latrines drastically reduce the fly population. When a Hilton/Carter Center latrine promotion program came to the village of Kulkpong in the Upper West region of Ghana, 35-year-old Abudi Yakubu was the first to step forward and volunteer to organize the youth to build latrines. While others questioned whether latrines were really necessary, Abudi and his young crew gathered materials for the latrine masons. Now, 125 latrines serve Kulkpong, and Abudi had a part in constructing nearly every one of them.

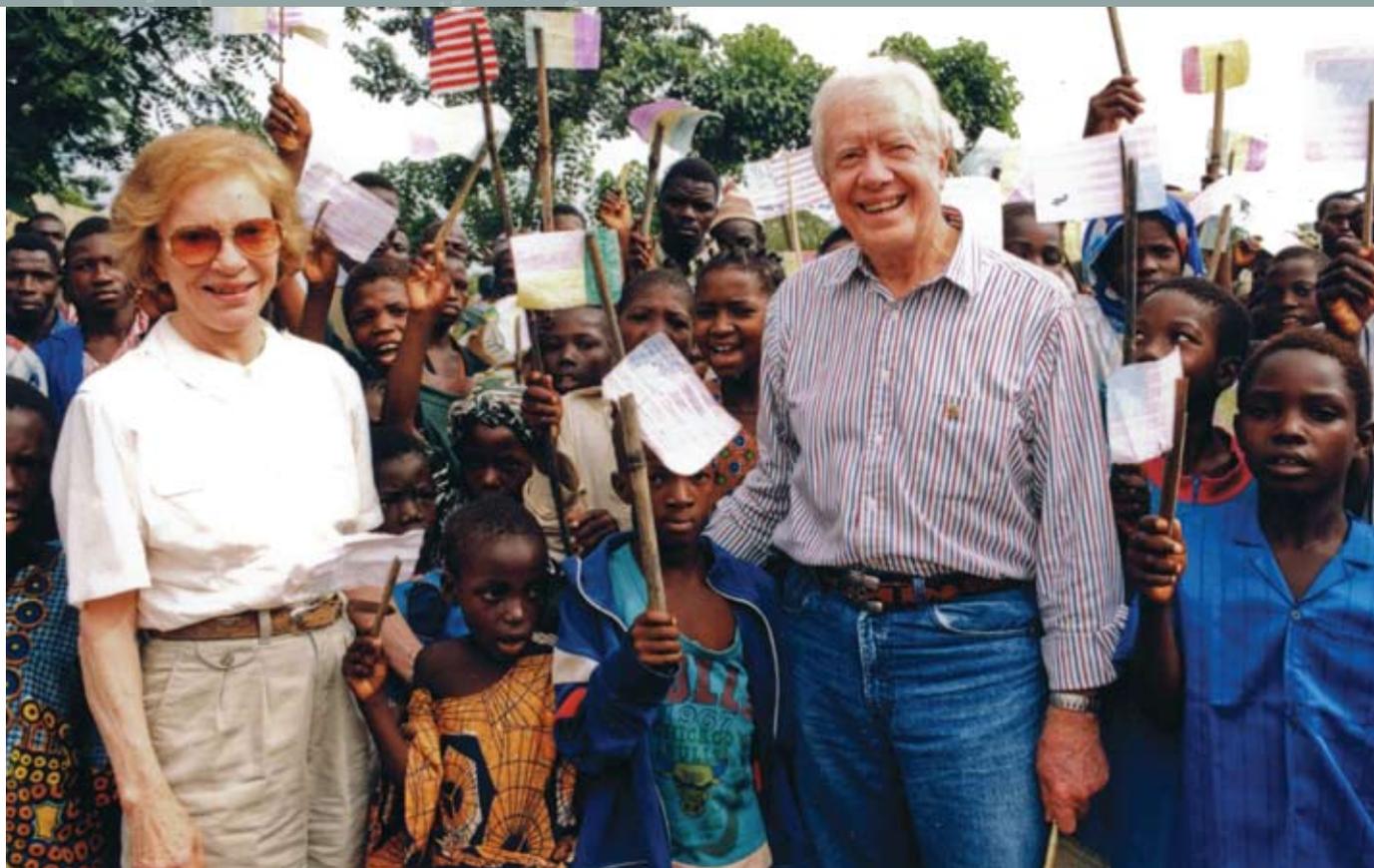
The Carter Center assists the Ministries of Health of Ethiopia, Ghana, Mali, Niger, Nigeria, and Sudan for trachoma control. Don Hubbs's direct talks with former President Jimmy Carter underpinned the Board's agreement to underwrite a Carter Center Trachoma Control Program. Former President Carter recalls how Don and the Foundation helped persuade the Carter Center to address trachoma:

Through Don's leadership at the Foundation, the Center and several of our partners in health have launched an all-out battle against trachoma, the foremost cause of preventable blindness. His relentless advocacy of health philanthropy has helped assuage the suffering of millions around the world. I am grateful for this hands-on approach to forging large-scale improvements in health, for his integrity, and for his ability to think and act long-term.

▼
Former President Jimmy and
Rosalynn Carter in Mali

“It takes the Ministers of Health to take an interest in trachoma and it takes someone like President Carter to get the Ministers of Health interested in it.”

DONALD H. HUBBS



Hilton funds have enabled HKI, working in partnership with organizations such as The Carter Center and the World Health Organization, to assist Ministries of Health in implementing the SAFE strategy in Burkina Faso, Cambodia, Mali, Mozambique, Nepal, Niger, Nigeria, Tanzania, and Vietnam, and to integrate trachoma education in the curricula of primary schools in affected countries. World Vision also received Foundation grants for its work in two highly endemic regions in Ethiopia, identifying and treating cases of active trachoma and training government and community health workers in prevention and control. In addition, the International Trachoma Initiative was awarded a grant to coordinate research and drug donations from Pfizer to control, prevent, and eliminate

trachoma. Subsequent grants to these organizations and to the World Health Organization, International Rescue Committee, and Lions Clubs International Foundation have brought the Hilton Foundation and Fund’s total trachoma commitment to more than \$39 million.

WHEN NEGLECTED ISSUES AND POPULATIONS receive attention and resources, hope replaces despair. The passion and energies of the Pearlmans, Mike Collins, Abudi Yakubu, and countless others worldwide light the way, enabling life-changing projects to spring forth and take root. Indeed, these efforts echo the sentiment expressed in Conrad Hilton’s Will, that “Charity...is the virtue that unites men and inspires their noblest efforts.” ■





Creating a Better Future: Water Is Key

IN A TINY VILLAGE ON THE SOUTHERN FRINGE OF THE SAHARA DESERT, few villagers remember the first fountain of water spurting from the new borehole more vividly than 10-year-old Abida Issa. “All the children were wet because they ran into the water, shouting and singing,” she recalls. “It was a celebration.”

Abida makes six trips to the borehole to carry water home for her family every day. The water is clean and the borehole is just a two-minute walk from home. She easily accomplishes the job before school opens.

ABOUT 1.1 BILLION PEOPLE, one-sixth of the world’s population, lack access to clean drinking water, and about 2.6 billion lack adequate sanitation services. The World Health Organization estimates that annually about 250 million people contract water-related diseases, and that 5 million people die from unsafe drinking water and unclean domestic environments. These diseases include the debilitating Guinea worm and the world’s leading cause of preventable blindness, trachoma. An estimated 88 percent of diseases in rural villages are preventable by introducing clean water and providing appropriate hygiene education and sanitation facilities.



◀ Steven M. Hilton and Richard Stearns, president, World Vision U.S.

Growing international concern about environmental threats to water quality and quantity has increased both the sense of urgency and a commitment to sustainable approaches in international water development.

Since 1990, the Hilton Foundation has focused one of its largest programs on providing safe water as a means to control and prevent disease in Africa. The Directors sought an appropriate vehicle to express the wide and visionary humanitarianism of the Founder. Under the guidance of then President Don Hubbs, the Directors soon focused on that most basic of human needs: safe water. Safe water generates multiple benefits in public health and economic gain for villagers; the Directors reasoned that investment in well drilling would have the “maximum impact on the most lives for the funds invested,” as Steve Hilton put it.

Research to identify a leading organization in the safe water sector led to World Vision, which built wells in villages in rural Ghana, West Africa. Founded in 1950, World Vision is a Christian humanitarian organization that serves the world’s poorest families and children in more than 100 countries. The Hilton Foundation and, later, the Conrad N. Hilton Fund assumed funding of a project already under way to drill water wells in rural villages in West Africa. The work was begun in the Greater Afram Plains, in central Ghana. Because even more dire conditions existed in northern Ghana, the

Foundation Board soon expanded operations to include that area.

In the nearly two decades since launching this effort, Foundation- and Fund-supported drill rigs have dug life-giving wells in villages of populations from 500 to 1,000 people. The villages are rural, isolated settlements connected only by dirt roads. “Water is life” is a phrase heard commonly among villagers. With assistance, villagers help set up a water management committee and assume ownership and maintenance of the well. Water supply efforts are supplemented by increasing attention to sanitation and hygiene work in order to accelerate the public health benefits of safe water access. Hygiene and sanitation work is an equal, if not greater, challenge because it often requires that individuals and societies change long-held beliefs and customs.

THE GHANA MODEL WAS RIPE FOR EXPORT to other countries of high need and high feasibility. At a retreat in 2001, Steve Hilton won Board approval to position the Foundation at the center of international water development work in philanthropy, and to increase significantly its dollar commitment and the global reach of the water program through funder partnerships.

Acting on the Board’s directives, Hilton Foundation then Vice President-Programs Dyanne Hayes spearheaded



“I give you...I give you...an elephant of thanks!”

A Ghanaian boy expressing gratitude to a Hilton Foundation visitor



Partners Join Forces in the West Africa Water Initiative

Conrad N. Hilton Foundation

Conrad N. Hilton Fund

The Carter Center

Cornell International Institute for Food, Agriculture, and Development

Desert Research Institute

Helen Keller International

Lions Clubs International Foundation

UNICEF

U.S. Agency for International Development

WaterAid

Winrock International

World Chlorine Council

World Vision

The Effects of Safe Water Are Dramatic

Today, the village schoolroom is crowded with enthusiastic pupils. Attendance has doubled since the borehole was installed. Women and children no longer wait hours to draw murky water from a poorly supplied, polluted, hand-dug well.



the creation of the ambitious West Africa Water Initiative (WAWI), which was launched in 2002 with goals of increasing access to services, improving health and welfare, and managing sustainable water sources for hundreds of thousands of people. In addition to Ghana, the WAWI collaborative targets nearby Mali and Niger, which rank in the bottom five of the United Nations Human Development Index across a wide spectrum of social needs. Not surprisingly, access to safe water was particularly problematic in those two countries.

A number of international organizations joined what has become a \$55 million public-private partnership. Each brought resources and expertise to drill more than 1,100 wells, open up scores more alternative water sources, and build more than 25,000 new latrines—an effort benefiting more than 500,000 people in Ghana, Mali, and Niger. *The Chronicle of Philanthropy* (October 18, 2007) recognized the Foundation as a pioneer among foundations in grantmaking to international water development efforts. Today, nearly 1,700 wells are still operating as a result of the Ghana and WAWI projects.

Once people have plentiful, potable water, they find renewed faith in life. They ask for better schools for their children, they ask for health clinics, and they begin to find ways to earn money in the village, such as using surplus water to irrigate fruit trees or vegetable gardens.



EAST AFRICA CONTAINS POLITICALLY UNSTABLE COUNTRIES such as Ethiopia, Somalia, and Sudan and poor populations in the millions of people. After studying needs in East Africa, the Directors focused on Ethiopia, a country ranking in the bottom 10 of the U.N. Human Development Index, where only 11 percent of the rural population had access to safe water. Foundation staff monitored that country's political instability for six months, ultimately advising the Board that, while the Hilton mission is to alleviate suffering of the neediest populations, the reality today is that many of the neediest live in unstable places. In 2006, the Hilton Foundation and Hilton Fund awarded support to CARE, Living

Water International, WaterAid, and World Vision. When combined with matching funds, this alliance of non-governmental organizations, called the Millennium Water Program, will bring potable water, sanitation facilities, and hygiene education to almost 600,000 men, women, and children in Ethiopia over five years.

OF ALL DISEASES ASSOCIATED WITH DRINKING DIRTY WATER, few are more revolting than Guinea worm. Although the menace has been eliminated from most countries of the world, and worldwide eradication is in sight, it still lingers in West Africa and Sudan. Villagers—including many children—unwittingly ingest

A Village Chief Spearheads Guinea Worm Prevention

Chief Tahanaa suffered Guinea worm disease as a child. “I know what people are going through,” he says.

Today, he is committed to preventing the disease in his village of Taha in Ghana.

After the chief heard a presentation from Ghana’s national Guinea worm program staff, he launched a health education program. He had a platform built so that villagers collecting water would not contaminate the pond with Guinea worm larvae by stepping into the water. He levies fines on those who do not use the platform, do not report cases to the local health volunteer, or refuse treatment.

Several years ago, a large Guinea worm outbreak left Taha families unable to tend their farms. “Now everyone is healthy,” Chief Tahanaa says proudly.



The Hilton Foundation has focused one of its largest programs on providing safe water as a means to control and prevent disease in Africa.

the microscopic larvae when they drink water from a contaminated stagnant pond.

The parasite typically lives inside the victim’s body for a year, growing up to three feet in length. For some three months, as the worm emerges incrementally by puncturing through the skin, the pain is excruciating. Victims, who might ordinarily be planting or harvesting crops, are instead incapacitated by the pain, often accompanied by fever and nausea. Most sites where worms emerge become infected, and the worst cases result in permanent crippling or death.

Early in the Foundation’s work in water development, Don Hubbs learned about this disease and about involvement of The Carter Center in fighting it. Since 1991, the Hilton Foundation has supported The Carter Center’s advocacy and efforts to break the cycle by educating villagers to filter their water, preventing individuals with emerging Guinea worms from entering sources of drinking water, and supporting government efforts to monitor closely any new occurrences of disease. In addition, a Foundation grant to UNICEF is supporting borehole drilling and repair, construction of rainwater tanks, and advocacy, which further access to safe water for many Guinea-worm endemic villages in Ghana, Mali, and Niger. According to the World Health Organization, incidence worldwide is down from an estimated 50 million annual cases in the 1950s to fewer



than 10,000 during 2007. Efforts to teach good hygiene must continue, however, because reappearance of the disease can occur.

IN MEXICO, ABOUT HALF THE VILLAGES in the semi-arid Mixteca Region lack adequate potable water and sanitation facilities. In those villages the incidences of gastrointestinal diseases and infant mortality are considerably higher than in the rest of the country. Since 1998, the Foundation and partners have supported Alternativas y Procesos de Participación Social, an indigenous organization, for a surface water project (dams, reservoirs, pipelines) in villages in the Mixteca Region. Alternativas integrates the indigenous people's vast traditional knowledge related to water management into its modern technologies. Its Water Forever Program has built more than 1,400 waterworks involving some 200 villages and increased water availability and sanitation for nearly 200,000 inhabitants.

In 1989, Edilberto Carrillo, then 24 years old, joined the Water Forever Program promoted by Alternativas with Hilton Foundation support in the arid mountains of Mixteca-Popoloca area, one of the poorest in Southeastern Mexico. Water scarcity was a life-threatening problem for the inhabitants. Edilberto and fellow workers built the first village waterworks, a dam across Tempexquixtle Creek. They built more dams

and regenerated a creek to irrigate fields for amaranth and corn as well as maize, beans, and avocado. More recently, they have built an intake structure to capture water from a spring, a pipeline to convey it, and a large distribution water tank.

Edilberto's wife, Rosario Pacheco, says the intense work over many years has proved fruitful in many aspects of their lives. The parents' dedication to improving village and family life is reflected in the lives of their seven children; all are good students at school, and the eldest is beginning studies at the regional university. Instead of migrating, as many families used to do, Edilberto's family sees promise for regional development.

HILTON FOUNDATION WATER DEVELOPMENT efforts will play a vital part in helping to reach the U.N. Millennium Development Goal to halve, by 2015, the proportion of people without sustainable access to safe drinking water. So it is that Conrad Hilton's life-sustaining legacy—a determination to alleviate the suffering of needy people of the world—helps to create better lives. ■





◀ (FAR LEFT)
Steven M. Hilton,
Dr. Jens Modvig - International
Rehabilitation Council
for Torture Victims, His
Holiness the Dalai Lama,
and Dr. Bhogendra Sharma -
International Rehabilitation
Council for Torture Victims
(2003 recipient)

Honoring Courage and Compassion: The Conrad N. Hilton Humanitarian Prize

IF HE WERE ALIVE TODAY, Conrad Hilton would be profoundly moved that so many humanitarian organizations now exist throughout the world, and that they work tirelessly to alleviate human suffering. These groups cover a remarkably wide range of noble causes. A group of women helps other women reestablish their families after war or civil conflict has destroyed home and community. Villagers issue declarations to abandon harmful cultural traditions, such as child and forced marriages and female genital cutting. Doctors travel to impoverished areas to perform corrective surgery on children with facial deformities, giving them a chance to lead a normal life. Compassionate workers reach out to displaced families, the terminally ill, victims of torture.

Conrad N. Hilton Humanitarian Prize Recipients

2008—BRAC

Addressing poverty holistically by providing micro-loans, education, health services, job creation, and human rights education. (Bangladesh)

2007—TOSTAN

Empowering African communities to bring about sustainable development and positive social transformation based on respect for human rights. (Senegal)

2006—WOMEN FOR WOMEN INTERNATIONAL

Helping women in war and conflict areas to move from crisis and poverty to stability and self-sufficiency. (Washington, DC)

2005—PARTNERS IN HEALTH

Bringing first-world health care to the poor in developing countries. (Massachusetts)

2004—HEIFER INTERNATIONAL

Working to end hunger and poverty and to care for the earth by providing food- and income-producing animals and agricultural training. (Arkansas)

2003—INTERNATIONAL REHABILITATION COUNCIL FOR TORTURE VICTIMS

Promoting and supporting the rehabilitation of torture victims and working for the prevention of torture. (Denmark)

2002—SOS CHILDREN'S VILLAGES

Providing family-based, long-term care for children who can no longer grow up with their biological families. (Austria)

2001—ST. CHRISTOPHER'S HOSPICE

Advocating skilled and compassionate palliative care for the terminally ill, which led to the worldwide hospice movement. (United Kingdom)

2000—CASA ALIANZA

Working on behalf of the nearly invisible homeless children forced into life on the streets in Latin America. (Costa Rica)

1999—AFRICAN MEDICAL AND RESEARCH FOUNDATION

Improving health care through training, advocacy, capacity building, and research. (Kenya)

1998—DOCTORS WITHOUT BORDERS/ MÉDECINS SANS FRONTIÈRES

Delivering emergency aid to people affected by armed conflict, epidemics, natural or man-made disasters, or exclusion from health care. (France)

1997—INTERNATIONAL RESCUE COMMITTEE

Serving refugees, displaced persons, and victims of oppression or violent conflict—80 percent of whom are women and children. (New York)

1996—OPERATION SMILE

Training medical professionals and performing free reconstructive surgery on facial deformities that cause physical pain and social ostracism. (Virginia)



BRAC (2008 recipient)



Operation Smile (1996 recipient)



▲ African Medical and Research Foundation (1999 recipient)

AS A TRIBUTE TO HIS LIFETIME OF INTERNATIONAL HUMANITARIAN

EFFORTS, the Conrad N. Hilton Foundation in 1996 established the Conrad N. Hilton Humanitarian Prize, now the largest and most prestigious humanitarian prize in the world. The goals of the Prize are not only to recognize and advance the work of the recipient organization, but also to call attention to the worldwide need for humanitarian aid and to encourage others to expand their support. The Prize is awarded not to an individual but to an organization making extraordinary contributions toward alleviating human suffering anywhere in the world—often operating at great risk, hardship, or personal sacrifice. Few gestures could be a more fitting tribute for a humanitarian who firmly held the conviction that “There is a natural law, a Divine law, that obliges you and me to relieve the suffering, the distressed and the destitute.”

A PRIZE TO HONOR THIS DIMENSION OF CONRAD HILTON’S LIFE was suggested by Hilton Foundation Director James Galbraith. The Board saw an opportunity to mount an important and uplifting initiative. It proceeded down a thoughtful and professional exploratory pathway; it established a Prize

Exploratory Committee under the chairmanship of Jim Galbraith, with Dyanne Hayes serving as staff support. The committee scanned the awards field, found that the original concept niche (giving funds to an organization, not an individual) was indeed unique, and formulated a plan of action.

When established, the \$1 million Prize was the largest humanitarian award and one of the largest monetary prizes in any category—equal to the Nobel and Templeton Prizes. As the years passed, other new awards were established, some exceeding \$1 million. In recent years, prizes have become a popular philanthropic tool to advance innovative and effective methods to address social needs.

In 2005, to recognize the 10th anniversary of the Prize and to factor in inflation, the Board increased the award to \$1.5 million. This level maintains the Prize as the world’s largest humanitarian award and sustains its rank as one of the world’s largest monetary awards in any category. Use of award funds is unrestricted.

THE WORLD COMMUNITY OF HUMANITARIAN ORGANIZATIONS is involved in the Prize each year. A worldwide call for nominations has become something of a census of these organizations. “Every year, through the nomination and rigorous review process, we are privileged to learn of the incredible work being done



▲
Tostan (2007 recipient)

throughout the world by hundreds of extraordinary organizations,” comments Foundation Vice President

Judy M. Miller, who is director of the Conrad N. Hilton Humanitarian Prize. “It is inspiring to meet some of these people who are dedicating their lives to helping others, often at great personal sacrifice.”

Seven jurors, serving one or more four-year terms, select the recipient. Five international jurors are chosen from among persons prominent in the humanitarian field. To help preserve the vision of the Prize program, the remaining two jurors are a Hilton family member and a Hilton Foundation Board member.

“The discussion among the jury is always very robust,” observes Juror Olara A. Otunnu, “and the outcome decision is never predictable. It emerges slowly through vigorous probing and exchange of perspectives.” Adds a former juror, 2006 Nobel Peace Prize Laureate Muhammad Yunus: “It is a very difficult challenge each year to select only one from the list of very noteworthy and deserving organizations.”

The organization receives intangible benefits, as described by Juror Otunnu: “Receiving this Prize has a cascading effect on the recipient organization. It confers enhanced legitimacy and recognition, and often generates far greater levels of support for the organization. It has

become transformative for many recipients.”

Molly Melching, founder and executive director of 2007 Prize recipient Tostan, reports:

Receiving the 2007 Conrad N. Hilton Humanitarian Prize dramatically transformed Tostan’s organizational capacities and inspired a rededication to its mission by all participants. The recognition and prestige of the Prize resulted in multiple requests for information that led to numerous news stories, increased volunteer applications, new donors, and growing awareness and appreciation of Tostan’s special approach to development through human rights-based education. The news of winning the Prize spread throughout Africa and government ministries wanted to work more closely with us. We were able to use the funds to plan—carefully and intentionally—our expansion efforts into new countries. And the high level of visibility gained from receiving the Prize has resulted in a dramatic increase in actual and potential partnerships with other nonprofit organizations.

PRIZE RECIPIENTS HAVE FORMED AN INFORMAL GROUP to capitalize on the prestige that the Prize bestows upon them, finding opportunities to work together in countries where many of the organizations already have a presence. The Hilton Humanitarian Prize Laureates want to increase public understanding

Conrad N. Hilton Humanitarian Prize Jurors

PRINCESS SALIMAH AGA KHAN

International Ambassador for SOS-Kinderdorf International

CATHERINE BERTINI

Senior Fellow in Agricultural Development, Bill & Melinda Gates Foundation; former Executive Director, United Nations World Food Programme

GRO HARLEM BRUNDTLAND, M.P.H.

Former Director-General, World Health Organization and former Prime Minister of Norway

GREGORY R. DILLON (through February 18, 2009)

Director, Conrad N. Hilton Foundation

ERIC M. HILTON

Director, Conrad N. Hilton Foundation

OLARA A. OTUNNU

President, LBL Foundation for Children; former United Nations Under-Secretary General and Special Representative for Children and Armed Conflict

PROFESSOR AMARTYA SEN

Nobel Prize Laureate in Economics and Lamont University Professor at Harvard University



▲
Nobel Peace Prize Laureate
Professor Muhammad Yunus

Jurors Who Have Previously Served

SUSANNA AGNELLI

Former Minister of Foreign Affairs, Italy

FRANCIS M. DENG, Ph.D., J.S.D.

Representative of the United Nations Secretary-General on Internally Displaced Persons and former Ambassador from Sudan

WILLIAM H. FOEGE, M.D., M.P.H.

Chairman, Global Health Council; Senior Advisor, Bill & Melinda Gates Foundation

JAMES R. GALBRAITH

Director, Conrad N. Hilton Foundation

C. EVERETT KOOP, M.D., Sc.D.

Former Surgeon General of the United States

H.E. ANAND PANYARACHUN

Former Prime Minister of Thailand

MARGARITA PEÑÓN

Former Chair of the Arias Foundation for Peace and Human Progress, Costa Rica

ROBERT A. SEIPLE

Former Ambassador-at-Large for International Religious Freedom, United States State Department, and former President of World Vision

LIV ULLMANN

Former UNICEF Goodwill Ambassador and Co-founder, Women's Commission for Refugee Women and Children

H.E. RICHARD VON WEIZSÄCKER

Former President of the Federal Republic of Germany

PROFESSOR MUHAMMAD YUNUS

Nobel Peace Prize Laureate and Founder and Managing Director, Grameen Bank, Bangladesh

Conrad N. Hilton Humanitarian Prize Keynote Speakers

2008 – Quincy Jones, music industry legend and renowned humanitarian

2007 – Ban Ki-moon, United Nations Secretary-General

2006 – Václav Havel, former President of the Czech Republic

2005 – Paul Rusesabagina, real-life hero of the film
“Hotel Rwanda”

2004 – Dr. Lee Jong-wook, Director-General, World Health Organization

2003 – His Holiness the Dalai Lama

2002 – Dr. Oscar Arias, former President of Costa Rica;
Nobel Peace Prize Laureate

2001 – Kofi Annan, United Nations Secretary-General

2000 – Her Majesty Queen Noor of Jordan

1999 – Mary Robinson, United Nations High Commissioner
for Human Rights

1998 – George H.W. Bush, former President of the United States

1997 – Jimmy Carter, former President of the United States

1996 – Sadako Ogata, United Nations High Commissioner
for Refugees



▲
The Honorable Mary Robinson

▶
Women for Women
International (2006 recipient)

▶
(FAR RIGHT)
Heifer International
(2004 recipient)

in developed nations for solutions to problems in the developing world. The fact that they are using the leverage of the Prize to accomplish this goal shows its enduring impact, years after an organization has won the monetary award.

THE PRIZE AWARDS CEREMONY has itself become an important event. “We created an annual symposium in 1998 in order to have the recipient recognized by the donor community, the peer non-governmental organization community, and the international community,” Judy Miller notes. Participants from around the world gather and network at a humanitarian symposium that features distinguished invited panelists and speakers. The one-day symposium provides a venue to celebrate, honor, and uphold the Prize recipient, and it offers a forum for open dialogue on cutting-edge issues of concern to international humanitarian and human rights decision makers. The closing events—dinner, a keynote speaker, and the awards ceremony itself—often become a deeply moving experience for the attendees.

Ralph Begleiter, who moderates the gatherings, observes:

For most of the participants, it is the only time during the year when they meet so many of their peers from around the world. This is an incredibly talented, pragmatic group, and our dialogue each year revitalizes



all as we explore the new issues, new ideas, and new challenges facing all who work in the humanitarian field.

Ralph Begleiter is Rosenberg Professor of Communication and Distinguished Journalist in Residence at the University of Delaware. For almost two decades, he was CNN’s World Affairs Correspondent.

Each subsequent year builds on the issues discussed in previous symposia. Steve Hilton summarized the general narrative thread of all of the symposia in the following way:

What brings us together, what makes us seek each other out, is that for all the differences that catastrophes and disruptions have, they all, without exception, demand a humanitarian response. We are all in this together....Let us work together to shed some light on dark times.

In his keynote address at the 2007 Hilton Prize ceremony, United Nations Secretary-General Ban Ki-moon called for a renewed partnership between the United Nations, its member governments, and the private philanthropic sector, which is vital in meeting humanitarian needs, particularly in times of disaster or war. He contended:

Civilians continue to bear the intolerable brunt of crises not of their own making...and life-saving assistance cannot wait for the next round of peace talks....An emergency unfolding on one side of the world is watched live in the living rooms on the opposite side....If Conrad Hilton could honor the natural law of obligation without that instant knowledge of crises in his time, we should surely have no excuse not to honor it in ours.

CONRAD HILTON WAS THE CONSUMMATE INTERNATIONAL HUMANITARIAN. Where he saw suffering, he turned his compassionate response into action. He gave his money—without regard to territory, religion, or ethnicity—helped to raise funds, and lent his name to worthy efforts. He supported countless activities around the world to find food, clothing, and shelter for children, to build schools, and to provide medical care, and he made provisions in his Last Will for his heartfelt generosity to continue after his passing. ■

**Everybody
uses drugs.**





Reaching Out to Families, Children, and Youth

Empowering Youth to Resist Drugs

MIDDLE SCHOOLERS ARE OPEN TO LEARNING about how to resist alcohol and drugs, when ways to do so are presented to them in terms they understand. This finding has informed and helped to change the way alcohol and drug prevention is taught in American schools today.

These early adolescent years provide fertile ground for teaching life skills. Boys and girls are entering an exciting but turbulent time as they begin puberty, encounter new experiences with peers, and seek greater independence. With their broad access to middle school youth, schools are uniquely positioned to help vulnerable adolescents cope with drug use and other potentially damaging temptations.

Building on innovative research that it commissioned, the Hilton Foundation has pioneered a middle school curriculum aimed at alcohol, drug, and tobacco use prevention. This curriculum is now one of the most widely used prevention programs in the Nation. It is called Project ALERT (Adolescent Learning Experiences in Resistance Training). Youngsters in substantial numbers are open to it, understand its value, and follow its guidance.



FALSE

PROJECTALERT

Help to resist. Power to resist.



Giving teens the know-how to say no.

PROJECTALERT
Easy to adopt. Proven to work.

ALCOHOL AND DRUG ABUSE AMONG YOUNG PEOPLE first became recognized as a serious problem for families across America in the 1960s. In 1982, just three years after Conrad Hilton's death, the Foundation Board listened attentively as Don Hubbs lamented the lack of effective ways to reach and teach America's youth not to use drugs. The subject struck a chord. Every Board member knew someone affected by a drug problem. A common determination to enter this field was clear. Helping young people reflected Conrad Hilton's interest in children and offered the opportunity to launch what would become the first major project begun during Don's presidency—a project that is still going strong. This was during the Reagan era, when a powerful political will to address the drug problem was emerging.

The Board soon learned that educators lacked solid, informed guidance on what kind of prevention approaches worked with young people. The Board sought to bring to this educational challenge the full weight of sophisticated, leading-edge techniques of the emerging science of research and development. It engaged The RAND Corporation, one of the Nation's leading think tanks on defense and social issues, to evaluate three responses to youth and drugs. Looking back, Don asserted, "I knew there were no quick fixes. I told them to take their time and get it right."

"From this first study we learned that law enforcement, treatment, and prevention all showed promise, but that prevention showed the most," said Phyllis Ellickson, Ph.D., RAND's principal investigator for what became Project ALERT. RAND designed and tested a classroom-based prevention program and measured its effect on adolescent use of alcohol, cigarettes, and marijuana. (Prior use of these so-called gateway drugs predicts use of cocaine, crack, and other hard drugs.) Hilton grants in this initial period totaled \$10 million.

From RAND's work grew a highly disciplined curriculum that respects youth culture, uses youth vocabulary, is easily accessible to young people, and is based on their intensely emotional social needs. Students role play resisting negative influences (tempting offers from a hustler, pressures from within themselves, boredom) and building positive strategies that support non-use (taking cues from popular school leaders and jocks who brush off such overtures, backing up one's friends, drug-free parties). Continuing evaluation shows that the program not only helps to curb cigarette and marijuana use, but also reduces alcohol misuse. Both low- and high-risk students benefit, and the program is equally successful in schools with high and low minority enrollment.

In 1990, when an article on Project ALERT appeared in the prestigious journal *Science*, the Board

“The role-play exercises were fun and they taught us how to resist peer pressure. Other courses tell you not to do something. This one tells you why.”

Student / Long Beach Unified School District, CA

released the program for general use. The Board formed and funded the BEST (Bringing Everybody’s Strength Together) Foundation for a Drug-Free Tomorrow to carry out a national campaign, and underwrote distribution of the curriculum, classroom videos, and a teacher training component to ensure proper classroom delivery. “While we’ve got an excellent program that can help teach young people the skills to stay away from drugs, its success relies on the teachers who deliver it,” said Board member Eric Hilton, who serves as chairman of the BEST Foundation and has worked tirelessly for the program.

Hilton Foundation and Fund commitments to the BEST Foundation now total \$52 million and extend through 2013. Former First Lady and anti-drug spokesperson Nancy Reagan expressed her confidence in this effort by folding the balance of funds in her drug prevention program into the nascent BEST Foundation and serving on its board. She remains an emeritus member. The Hilton Foundation, RAND, and BEST have been the driving forces behind Project ALERT, and their collective contributions have been highly leveraged by the nearly \$1.2 billion in taxpayer funds that have supported Project ALERT’s share of classroom time since 1995.

ONE-FOURTH OF ALL SCHOOLS DISTRICTS in the Nation now use Project ALERT. The program has



MARIJUANA Can Affect You Right Away

- **Makes it HARD TO THINK AND REMEMBER**
- **Causes you to LOSE CONTROL**
- **INTERFERES WITH COMMUNICATION**
- **Makes it HARD TO COPE WITH FEELINGS**

trained more than 46,000 middle-grade educators and reaches more than a million and a half students each year. It aligns with key National Health Education Standards, is endorsed by the National Middle School Association, has been named an Exemplary Model Program by the U.S. Department of Education, and is on the National Registry of Evidence-based Programs and Practices.

Today’s updated 14-lesson substance abuse program is the most widely used and effective version yet. It is constantly improved by teacher, administrator, and student feedback. Project ALERT continues to give middle school students the understanding, self-confidence, and skills to resist alcohol, inhalants, marijuana, and tobacco. “Prevention delays the initiation or experimentation until the young person can

Students Can Choose to Be Drug-Free

Drug use and abuse are considered normal if parents are addicts or a member of the family deals in drugs to support the rest of the family....Students come into Project ALERT seeing nothing wrong with smoking marijuana, which is the drug of choice here, though everything else you can think of is also available. They leave the course questioning it, understanding how harmful this and all drugs can be to their health and their lives, and understanding, too, that they can make the choice to be drug-free.

Esther Kaggwa

Former Director of National Programs

National Organization of Concerned Black Men, Inc.

BEST Foundation Program Offers Advantages

Not only have BEST Foundation staff helped us with training our staff, but they regularly update the curriculum to keep it current, and have a great website full of support materials and current information. They offer all this at a very reasonable charge. Most companies send you a catalog, and you have to pay for updated or additional materials.

Robin Sinks

Health Education Curriculum Leader

Long Beach Unified School District, CA

gain greater maturity in decision making,” states BEST Foundation President G. Bridget Ryan. “Prevention equals buying time, empowering young people to make better choices.”

There are larger lessons for society as well. Project ALERT has advanced the substance abuse prevention field by determining through scientifically validated research what works and what doesn't. ALERT was research-based before the federal government deemed that programs be research-based in order to qualify for purchase using federal funding streams. The Hilton investment has also yielded highly useful information about effectively taking programs to scale.

The length and depth of the Foundation's commitment is unusual in the foundation world. The goal is not to attain the largest “market share.” Rather, it is about getting the job done.

“We know Project ALERT is the best program of its type currently available,” Don Hubbs asserted. “With Project ALERT, many children will not grow up with habit-forming drug addiction problems and an untold number of adults will not die prematurely from carcinogenic diseases. Any new drug education programs will be based on our principles of research. If another program puts us out of business, then we've served our purpose. We just want progress. We're not looking for permanence.” ■



Fostering Partnerships to Reduce Family Violence

FAMILY VIOLENCE STRIKES at all levels of society and takes multiple and wrenching forms. Abusers may endanger their victim's life and threaten to harm or kidnap their children. Abusers may exert coercive control by isolation and humiliation. Millions worldwide live in fear, anxiously anticipating the next episode. Children carry the terrible lessons of violence with them into the next generation. One mother in West Virginia describes her husband's horrific tirade:

...When he began to hit me in the face...I fell to the floor and hunched down over my son trying to protect him from the blows. My husband was now kicking me in the back. The entire time our son was screaming out in fear. Then he picked up a vacuum cleaner and swung it at me striking me in the arm; he then pulled me by my hair across the floor until we reached the bathroom....I really thought I might die....

With intervention from a local program begun under a Hilton Foundation grant, the victim gained custody of her children and is living on her own.

In the 1970s and 1980s, in the United States the seeds of reform were being planted. Grassroots advocates were urging political leaders and the public to become concerned about family violence. They called for police to do more than walk an abuser around the block to "cool off" and pleaded with city councils and state legislatures to fund shelters.

The Hilton Foundation acknowledged the tragic consequences before the rise of domestic violence on the Nation's public agenda. Flora Hubbs, wife of Foundation President Don Hubbs, is credited with initially raising the issue of family violence within the Foundation. (Notably, she never asked anything of the Foundation before or since.) A Director then recalled that Conrad Hilton had considered family violence "a most terrible injustice against a defenseless woman and her children." Grounded in the beliefs that many of the most at-risk

“Every effort to create individual safety adds to the collective work of creating global peace for all.”

DIANE REESE (1934-2002) / Team Coordinator
West Virginia Coalition Against Domestic Violence



children are those growing up in violent families, and that child safety is inextricably linked to parent well-being, the Board in 1980 began to add the Hilton Foundation’s voice and funds to the incipient family violence movement.

Consistent with its major project approach, the Foundation presented the field with large-scale opportunities to develop a vision, helping usher in a new era in how this Nation views the issue. Grants totaling \$13 million over more than two decades largely created partnerships to develop new, coordinated responses.

DON HUBBS CONCEIVED THE CONCEPT of a Model State Code on Domestic and Family Violence to bring more fairness and consistency to state-level legal reforms that had been championed on a piecemeal basis with few allies. In 1991, the Foundation charged the National Council of Juvenile and Family Court Judges with the formidable task of developing one legally sound code that could be adapted to the diverse needs of all 50 states.

The Council brought judicial clout, national stature, and a collaborative approach that would lend credibility to the monumental effort and at the same time listen to the voices of battered women. A committee

of professionals from many disciplines—the advocacy community, judiciary, defense bar, law enforcement, prosecution, governors, and state legislators—collaborated to produce the landmark Model Code and ancillary publications. The process respected the expertise of domestic violence advocates, who had previously been treated more like second-class citizens compared with those they were trying to educate. Hard choices were made during three years of intense work as the committee’s distinct factions coalesced into a cohesive group. Alliances forged during the process continue to this day.

When unveiled in 1994, the Model Code represented not only the current consensus on the best legislation, but also a state-of-the-art policy framework for best court practices and the ideal community response. That same year, passage of the first Violence Against Women Act brought federal presence and funding to the issue. Subsequent Foundation grants enabled the Council to assist in implementing the Model Code and annually document legislative changes and trends. Momentum was building.

This comprehensive public policy framework is cited frequently as the Nation’s seminal legislative policy document on the subject. Portions of the Model

“In any religious tradition, religious teaching and practice will be a roadblock or a resource for those who are victims or perpetrators of domestic violence.”

REV. DR. MARIE M. FORTUNE

Founder and Senior Analyst / FaithTrust Institute

Code have been enacted in every state, and it has influenced policy in other countries as well. Meredith Hofford, who directed the project at the National Council, acknowledges:

At the time, and even when the Model Code was completed, I did not foresee the depth, breadth, and time range of the impact of the project, but I believe Mr. Hubbs did.

RECOGNIZING THAT HEALTHCARE PROVIDERS WERE WELL POSITIONED

to ask women about violence in a non-threatening way, in 1992 the Family Violence Prevention Fund launched the National Health Initiative on Domestic Violence to train healthcare providers to recognize signs of abuse and intervene effectively. The Foundation participated at the outset in what has remained an extensive public-private partnership bringing together the domestic violence and healthcare communities to generate groundbreaking publications and training models, provide technical assistance, and reform policy. This healthcare reform campaign has leveraged millions of additional dollars, and numerous providers overseas have implemented healthcare programs based on its strategies.

FOUNDATION EFFORTS ALSO ENCOMPASSED

religious communities and underserved rural areas. The

Foundation was an early and long-time supporter of the FaithTrust Institute, an international multi-faith organization working with religious institutions to end sexual and domestic violence. By supporting the addition of outreach workers in 10 rural counties, the Foundation helped the West Virginia Coalition Against Domestic Violence achieve its goal of providing direct services in each of the state’s 55 counties. Outreach worker Danette Condon recalls:

The sheriff told me he would like my help in setting up a coordinated community response to domestic violence. This sheriff used to view me as a thorn in his side for advocating for victims and pressing for better police response.

THE FEDERAL GOVERNMENT

reports a dramatic drop in domestic violence between 1993 and 2005. Today, victims benefit from choices and services that were only the dreams of advocates and reformers just decades ago. As different segments of society have begun to address the issue and view family violence as a serious societal matter, partnerships that were previously unimaginable have jointly crafted informed responses. The Hilton Foundation is gratified that its early support for reform to prevent abuse and protect victims continues to bear fruit beyond the term of its grants and beyond this Nation’s borders. ■



Giving an Early Head Start to Children with Disabilities

A YOUNG COUPLE LEARNS that their newborn son has disabilities. The couple is poor. Where do they turn for guidance on how to raise their precious child, and prepare him for life?

One of the Nation's most significant responses to supporting families living in poverty in 1965 was the landmark Head Start program, a keystone in the War on Poverty. Head Start is based on the concept of healthy physical and emotional preparation of at-risk children for school. Eligibility is based on poverty guidelines of the U.S. Department of Health and Human Services. Head Start focuses on children three to five years old.

In the late 1980s, leaders in the early childhood development field, academics, and parent activists called attention to the need for programs, resources, and public awareness for families of

infants and toddlers who were grappling with issues related to poverty. Early Head Start, focusing on children birth to age three and pregnant women, was added in 1995. It was based on the realization that, by the time children at risk due to factors such as poverty are four years old, many opportunities are missed to prepare them for school, especially if they are experiencing disabilities or significant developmental delays. While Early Head Start was mandated to serve infants and toddlers with special needs as part of their population, the Head Start Bureau had no provision for the in-depth training necessary to ensure positive outcomes for very young children and their families.

The theoretical underpinnings of Head Start hold that the parent is the child's first and most important teacher, and that parent involvement and family stability are cornerstones of the successful development of any child. Furthermore, a wealth of information underscores the importance of cognitive and social development during the early period, prenatal to age three, of a

child's life. Early childhood education, in particular, produces significant results later in life, including gains in emotional and cognitive development, substantial improvement in educational achievement, increased income and worker productivity, reduced levels of criminal activity, and improvements in health. Every child with disabilities, compounded by poverty, will gain benefits from early childhood education experiences coordinated with specialized services to meet their unique needs.

HIS GRANDFATHER'S LEGACY of concern for young children, the disadvantaged, and those with disabilities moved Steve Hilton to propose the Hilton/Early Head Start Training Program (renamed the Head Start/Hilton Foundation Training Program in 2007). The program would work collaboratively with Early Head Start and Migrant and Seasonal Head Start to provide the in-depth training necessary to ensure positive outcomes for infants and toddlers with disabilities. Then a Foundation vice president, Steve passionately believed in the importance of early intervention. Because Early Head Start was a new program, Steve recognized an opportunity to help shape its contours and culture. If successful, such a pursuit would both maximize the children's potential growth and likely reduce the financial burden of caring for these children later in life.

THE HILTON FOUNDATION BOARD saw attractive advantages in joining forces with Early Head Start. The disabilities component was small enough that the Foundation could make a measurable difference by training the majority of Early Head Start staff nationwide who work with infants and toddlers with disabilities. In addition, the significant multi-year investment would be leveraged as a public/private partnership, with the Head Start Bureau, part of the U.S. Department of Health and Human Services, sharing the cost. Together, the Foundation and the federal government invested more than \$38 million from 1997 to 2007. During 1997 to 2002, the Foundation contributed 70 percent and the Head Start Bureau 30 percent of the funding; impressed by the results, the Head Start Bureau increased its share to 67 percent for the period from 2002 to 2007, with the Foundation funding the remainder.

In designing its participation with Early Head Start, the Foundation selected an experienced manager, the California Institute on Human Services at Sonoma State University, whose mission was to act as a change agent in education and human services by combining best practices from the field with the real world experiences of young children with special needs. The Institute was recognized for its expertise in providing training and technical assistance to early childhood programs serving

By the time they complete their Special-Quest training, team members have the makings of a potent community force—in a miniature village that will raise the child.

children with disabilities. Nationally recognized expert Linda Brekken, Ph.D., was tapped to direct the Hilton/Early Head Start Training Program. The concept of training teams of parents, caregivers, Early Head Start administrators and staff, and community childcare workers appealed strongly to the Board. The ultimate beneficiaries would be young children with disabilities and their families living in poverty, an entirely appropriate outcome for the philanthropic intent of Conrad Hilton.

THE BEDROCK ELEMENT of the program is called SpecialQuest, a training experience for teams of Early Head Start parents, staff, and community partners. Over a four-year period, SpecialQuest aims to increase the teams' skills and comfort level in educating and caring for youngsters with disabilities and their families. An important element of the Hilton/Early Head Start Training Program is to teach teams to build relationships for coordinated services at the community level, which is essential in marshalling services for children with multiple conditions, as well as for pregnant mothers in at-risk settings. Families accustomed to the grinding powerlessness of poverty become informed decision makers for their child and family. Families can be more than first teachers; they can also be voices within the community, voices backed

by knowledge of their rights and of resources for their child and other children in the community. Family members instilled with hope and armed with knowledge can themselves become potent community resources for those in greatest need.

The feeling of empowerment can express itself in little ways, at least at first, and in much larger ways later. One mother reported this outcome because of a new ability to persuade school authorities to focus on children with disabilities:

One of the changes that I have noticed since I have been attending SpecialQuest is directly related to my daughter and her classroom. For instance, they incorporated a microphone because she only hears half of what she is supposed to hear and this adaptation was just to serve her. I like the idea that they are focusing on the personal needs of the child.

By the time they complete their SpecialQuest training, team members have the makings of a potent community force—in a miniature village that will raise the child. One childcare partner described how the training expanded the reach of the program:

One parent, who came the past two years, went back and talked to other parents. That's how we got more children into our program. This past year the parents [of children with disabilities] have started their own support group, and it's all because of SpecialQuest.



As a result of the training, some participants choose to deepen their knowledge in the area of Special Education. One Early Head Start staff person shared:

This has been a very valuable experience for all my family as it has changed the way I see life. I have realized that I have an interest in Special Education and I have decided to go back to school so I can work in some area of Special Education.

RESULTS OF SPECIALQUEST ARE GRATIFYING, including well-trained staff, research-based materials, effective infrastructure, and a nationally recognized training model. By the end of 2007, fully 80 percent of the eligible Early Head Start programs throughout the country were trained by the Hilton/Early Head Start Training Program to improve program capacity appropriately to serve infants and toddlers with disabilities and their families.

It is encouraging to note that the Office of Head Start has provided additional funding to sustain and expand these efforts at the state level over the next three years. “Many large foundations fund what are called ‘model programs’ with the hope that if the particular approach being tested is ‘successful,’ other donors or the government will eagerly join in to sustain and scale up the project. Sounds good—but, in reality, this almost never happens,” contends Steve Hilton. “That’s why, at

the risk of appearing boastful, we were so pleased when the Head Start Bureau found this model worthy of its continued support.”

BUILDING COMMUNITY CAPACITY is difficult enough. Building capacity for serving young children with disabilities is doubly difficult. Constructing any great enterprise, as Conrad Hilton well knew, requires vision, determination, and hard work.

So it is with Early Head Start and Migrant and Seasonal Head Start. Through the hard work of participants and effective leveraging of resources over a sustained period, these worthy programs are now able to recruit and serve infants and toddlers with disabilities and their families in hundreds of American communities. The tens of thousands of previously underserved participants who will benefit from these programs will continue to honor Conrad Hilton’s reminder to “be ever watchful for the opportunity to shelter little children with the umbrella of your charity.” ■





Helping People to Rebuild Their Lives

Enabling Homeless People to Become Self-Sufficient

AT THEIR 1989 RETREAT at the Flying M Ranch, Hilton Foundation Board members were handed a list of significant challenges to American society. On the list was the seemingly intractable issue of homelessness. Media depictions showed homeless men slumped in doorways and homeless women and children camped in empty lots.

Board members exchanged ideas. They recalled Conrad Hilton's Will, which stated that "our fellow men deserve to be loved and encouraged—never to be abandoned to wander alone in poverty and darkness." They noted the hospitality that characterized Conrad Hilton, and the appropriateness for a Foundation that owes its very existence to a hotel business to support programs for homeless people. Board and staff member Steve Hilton was troubled that a Nation as blessed with resources, as is the United States, should tolerate "people wandering in the streets." Tasked to develop a response, he took up the cause and became its passionate advocate. He found studies demonstrating that the cost of doing



nothing for the chronically homeless was high because of their repeated presence in emergency rooms, jails, and psychiatric wards.

Directed initially to target New York City and to leverage the support of other funders, Steve spoke with leaders on the issue, visited programs, and engaged the expertise of the New York Community Trust. An acquaintance at the Ford Foundation ultimately told him about a promising new organization—the Corporation for Supportive Housing (CSH). CSH was founded in 1991 as an intermediary organization to facilitate the development of permanent, service-enriched housing by providing technical and financial assistance to local provider organizations. As such, it brokers partnerships among developers, service providers, and private funding sources.

Permanent supportive housing was an exciting new concept, the Ford official said. Chronically homeless people were housed and provided with supportive services, such as health and medical care, physical and emotional therapy, life skills, and job training—the tools they needed to gain self-confidence and a degree of self-sufficiency. Although the reality is that some individuals may never hold a full-time job due to the severity of their disability, they will at least be provided with shelter, supportive services, and, if needed, medication. By shifting resources from costly band-aid services toward long-term solutions,

communities stand to benefit as well as by enhancing vitality and safety in neighborhoods.

Funding for CSH's national program had come from The Pew Charitable Trusts, the Robert Wood Johnson Foundation, and the Ford Foundation. Steve asked Ford if it would add to its stake if Hilton joined the team. The answer was yes, and Steve returned to his Board with a deal.

FOUNDATION PRESIDENT DON HUBBS challenged the Board with a statement that became the Foundation's strategy and goal:

If we can locate the mentally ill homeless, give them housing, treatment, and access to programs, there is an excellent chance that many of them can be integrated into society and—contrary to popular thought—eventually become self-supporting individuals to the benefit of society as a whole.

What the Hilton Foundation Board then launched has become one of its largest, most dynamic, and most significant social-change, humanitarian programs. The Foundation's pioneering effort focuses on chronically homeless people with mental illness. From 1999 to 2006, Jeff Schaffer managed the Foundation's homelessness

grantmaking, building upon his prior experience in developing homeless services and affordable housing in Los Angeles and in providing training nationwide.

ON ANY GIVEN NIGHT in Los Angeles County, almost 74,000 people are homeless, one third of whom are chronically homeless. The Hilton Foundation took on the Los Angeles challenge because the number of homeless people with mental illness and disabilities was so large and concentrated in this region long dubbed America's homeless capital. Board members wanted to respond to what they saw nearly every day on the streets. The resulting CSH program has helped to stimulate development of almost 1,100 units of supportive housing and to coordinate area funding for supportive housing, which requires working with federal, state, and county sources and up to 50 of the 88 cities in Los Angeles County. With the Foundation's \$1 million program-related investment as initial funding, CSH established the Los Angeles Supportive Housing Loan Fund. Due in part to the Foundation's convening local government and financial institutions in order to spark interest, the Loan Fund has grown thirty-fold.

ENDING LONG-TERM HOMELESSNESS IN AMERICA was the ambitious goal set in 2004 when nine funding entities and implementing organizations

One Man Begins to Build a New Life

Beneath his disheveled clothes, behind his unshaven face, Thomas was despairing. He had lived on the streets of Los Angeles for eight years, struggling with crack cocaine and alcohol, suffering memory loss from a car accident, and experiencing delusions. He had been diagnosed with paranoid schizophrenia. He was 48 years old and his future looked hopeless.

In 2004, Thomas entered a refuge for chronically homeless individuals with mental illness, where he received assistance in claiming Supplemental Security Income, began seeing a psychiatrist, and worked with a case manager who helped him negotiate the system. Today, Thomas lives in his own apartment, cooks his own meals, and is clean and sober, which is a testament to his courage and determination to build a new life. It is also a testament to the men and women who work with homeless people and to an approach known as supportive housing.

Chronology of a Partnership

A Hilton Foundation grant of \$4 million in 1992 enabled the Corporation for Supportive Housing to focus on supportive housing for mentally ill homeless men and women in New York City. Evidence showed that supportive housing was working in that city, which was experiencing rising retention rates in housing and declining numbers of individuals living on the streets.

In 1998, the Foundation Board added \$6 million to help CSH spread the model to six cities nationwide (Chicago, Columbus, Los Angeles, Minneapolis, and San Francisco in addition to New York City). This pioneering work helped to change housing policies for chronic homelessness around the country.

The bulk of the Foundation's \$10 million grant to CSH in 2004 is helping to take supportive housing to scale in Los Angeles.

“What was once a little-known, boutique program...has become a primary focus of an increasingly large number of states and locales as they work to address the problems of homelessness.”

CARLA I. JAVITS / President and CEO
Corporation for Supportive Housing

Lifting One Family's Prospects

In Hennepin County, Minnesota, a 22-year-old homeless, single mother of a three-year-old son and six-month-old daughter sought—and found—help. Through the Strengthening At-Risk and Homeless Young Mothers and Children Initiative, they first received a housing voucher for a two-bedroom apartment. Next, after learning from the boy's school of his coordination and balance problems, a family worker encouraged the young mother to see a physician and ultimately accompanied her to a neurologist where they, together, heard the diagnosis: a mild form of cerebral palsy. Arrangements were made for occupational and physical therapy. The family worker now will help the mother continue her education by accompanying her to a meeting with a county employment counselor to prepare an employment/education plan that includes childcare. Having addressed multiple needs, the family is on its way to a more promising future.

joined forces to address the needs of mentally ill and other chronically homeless people. Sensing an increasing momentum and reasoning that more could be accomplished together rather than separately, the Hilton Foundation spearheaded the creation of the Partnership to End Long-Term Homelessness by recruiting experienced leaders from the philanthropic and corporate sectors. Partners pledged \$40 million and set a goal of generating an additional \$60 million in private support toward efforts that placed supportive housing at the core of the strategy. Funds support CSH, the National Alliance to End Homelessness, and other groups that are raising public awareness and working to create 150,000 supportive housing units by 2015.

ALTHOUGH FAMILIES NOW COMPRISE approximately 40 percent of the overall homeless population, there is a paucity of services that really bridge the divide between the homeless services and early childhood development sectors. To close that gap, in 2006 the Foundation undertook a five-year national initiative combining two of its existing programmatic interests: homelessness and early childhood development.

Strengthening At-Risk and Homeless Young Mothers and Children is providing direct services to homeless children and mothers, as well as support and training for local agencies that serve them at four



innovative, locally based collaboratives in Chicago, Los Angeles, and Minneapolis/St. Paul. With \$7.5 million from the Foundation and matching funds from participating programs, the total investment of \$11 million aims to improve housing, health, and development among young homeless and at-risk mothers and their children. Pilot program strategies and activities proven to be effective will be shared nationally as a guide on how to improve and integrate services for homeless mothers and children. The National Center on Family Homelessness is coordinating the program in collaboration with the National Alliance to End Homelessness and, until late 2008, the Child Welfare League of America. Former Foundation Senior Program Officer Casey Rogers, who oversaw development of the initiative, observes: “For the Homeless Mothers and Children Initiative, the Hilton Foundation was able to

blend research and the input of experts with Conrad Hilton’s wish that his wealth target the needs of the most vulnerable, especially children.”

BY FINDING WHAT WORKS AND GALVANIZING LEADERSHIP to promote it, the Foundation and its partners are changing the goal from merely managing homelessness to ending it. Los Angeles County will be the focus of the Foundation’s homelessness funding in the future.

More and more chronically homeless people are entering housing that offers them the chance to gain stability and self-confidence. Like Thomas, they are building new lives of hope and independence. One day at a time, one life at a time, such efforts continue to draw inspiration from the directive in Conrad Hilton’s Will “to relieve the suffering, the distressed and the destitute.” ■



Responding When Disaster Strikes

AN 8.0 MAGNITUDE EARTHQUAKE JOLTS

MEXICO CITY. Hurricanes Katrina and Rita trigger floodwaters on the Gulf Coast. An immense tsunami devastates Indonesia and Sri Lanka. Carrying on the legacy of its compassionate Founder, the Foundation responds to these and other disasters, alleviating human suffering today and helping victims of disasters to rebuild their lives for tomorrow.

Directors had since the early 1980s been expressing interest in providing such assistance, which aligned well with the directive in Conrad's Last Will "to relieve the suffering, the distressed and the destitute." The topic had become urgent when an 8.0 magnitude earthquake struck Mexico City in 1985. To formulate its response to the devastation, the Foundation sought out Orders of Sisters with a presence in Mexico, ultimately awarding funds to the Maryknoll Sisters.

In 1986, the Board formally set out to investigate promising ways to provide international disaster assistance. As it shaped its strategy to reduce post-disaster suffering, the Board examined the merits of both immediate relief and long-term recovery.

From the late 1980s through the mid-1990s, disaster-related Foundation grants generally fell in the \$100,000 to \$250,000 range per event. The Foundation's

disaster response in 2004 and 2005 differed dramatically from the historical trend, both in the size and number of grants as well as the speed of the response. The Board responded at an unprecedented level to the devastation brought on by a series of disasters of colossal magnitude in South Asia and the Gulf Coast region. Grants totaling \$8.3 million, including \$1 million from Barron Hilton, accounted for approximately one-fifth of the year's payout. The following accounts illustrate Foundation responses in that time of extraordinary need.

UNDERSEA EARTHQUAKES IN DECEMBER

2004 generated the massive tsunami in Indonesia and Sri Lanka that killed 220,000 people, destroyed 400,000 homes, deprived 1.4 million people of their livelihood, and caused \$10 billion in damage. Shortly after the event, Germany-based Luftfahrt Ohne Grenzen (Aviation Without Borders) secured and airlifted emergency supplies to Indonesia and Sri Lanka. The Board quickly agreed to support the transportation of this cargo.

SOS Children's Villages (also known as SOS-Kinderdorf International), the Hilton Humanitarian Prize recipient in 2002, had for a long time been active in the regions hit by the tsunami and responded with relief programs in Indonesia, Sri Lanka, India, and Thailand. This Austria-based global child welfare organization built refugee camps, medical centers, and sanitary



◀ (FAR LEFT)
Tsunami relief in Indonesia

◀ Earthquake relief in Pakistan

facilities, as well as offering psychological care for adults and children and financial support to those affected. In total, SOS Children’s Villages undertook construction of 2,260 family houses, more than 20 multi-purpose community centers, seven SOS Children’s Villages, and livelihood support for affected families, including new boats for fishermen. The Foundation supported these efforts.

THE WORST NATURAL DISASTER IN AMERICAN HISTORY struck New Orleans and the Gulf Coast region in August 2005, killing at least 1,500 people and causing \$100 billion in damage. Hilton Foundation grants supported The Salvation Army and the American Red Cross in meeting victims’ short-term needs by providing meals, clothing, accommodations, and hygiene supplies and by reconnecting family members. Foundation funds also support the Greater New Orleans Foundation and the Foundation for the Mid-South in rebuilding nonprofit organizations in the region to enable them ultimately to respond to future community needs. As the recovery efforts in New Orleans continue, the Board has subsequently awarded additional funds to several entities for affordable housing, community revitalization activities, and high-quality childcare, including the Greater New Orleans Child Care Rebuild Collaborative and UNITY of Greater New Orleans.

IN NORTHERN PAKISTAN, AN EARTHQUAKE OF 7.6 MAGNITUDE in October 2005 left 72,000 people dead and 2.5 million people homeless. The Board supported programs that filled gaps—shelter, needs of women and children, and relief supplies—in the immediate relief and recovery effort. In northern Pakistan, the coming Himalayan winter posed grave threats to families and individuals lacking shelter. The Board responded with a grant to Islamic Relief to construct immediate and long-term shelter for 1,500 families. The needs of families, with an emphasis on women and children, were also addressed through funding to Save the Children. A grant to Luftfahrt Ohne Grenzen supported transport of critically needed supplies.

DISASTERS HIGHLIGHT THE VULNERABILITY OF POOR POPULATIONS. They leave in their wake death, destruction, and grief.

While the current strategy emphasizes long-term recovery, the Board also considers short-term efforts when a critical need arises. The Foundation strives to keep abreast of humanitarian issues and become acquainted with the capacities and representatives of key humanitarian organizations. This ongoing groundwork informs and strengthens the Foundation’s response when disaster tragically and unexpectedly strikes. ■

Toward a World Free of Multiple Sclerosis

A LIFE WELL LIVED DESPITE ADVERSITY can inspire good works that extend beyond a lifetime. So it was with the life of Marilyn Hilton, wife of Barron Hilton for almost 57 years, mother of their eight children, including Foundation President Steve Hilton. Her story begins here with a startling recollection by the late Foundation Board member Gregory R. Dillon in a 2007 letter to Steve:

Barron and I were walking down the stairs when a cry alerted us that Marilyn had fallen. We ran back to see what happened to her. Your mother's legs had given out, and it was after that incident that we found out what her problem was. It took some time to do so, since they gave her all sorts of tests, before the doctors finally diagnosed MS.

She went on, however, for years thereafter....leading a very full life, though her later years were not too comfortable, but Marilyn was a trouper.

This reminiscence captures a warning sign of the onset of multiple sclerosis, yet only hints at its devastating effects. Marilyn Hilton's story demonstrates her courage and resolve to rebuild her life in the face of this daunting challenge. She endured the disease for decades, yet she continued to radiate a positive spirit and never gave up.



ONE OF THE MOST PREVALENT DISEASES OF THE CENTRAL NERVOUS SYSTEM, MS directly affects an estimated 2.5 million people around the world. MS attacks the myelin sheaths that insulate and protect nerve fibers, thus disrupting the ability of nerves to transmit signals to and from the brain.

Symptoms vary and change in severity and duration and can cause gradual disability. Symptoms may include visual disturbances; coordination and walking problems; slowing of speech and slurring of words; loss of concentration, judgment, and short-term memory; numbness and pain; unpredictable fatigue; and bladder dysfunction. The cause remains unknown, and no means of prevention or cure is known. Partially effective treatments and medications provide relief from the symptoms, but in many countries they are prohibitively expensive or unavailable.

THE FOUNDATION HAS AWARDED APPROXIMATELY \$14 MILLION over five decades to help

researchers and practitioners to find the cause of and ways to prevent MS in the future, develop effective treatments and medications for those who have the disease today, and improve the care of patients who now suffer from its unpredictable and often debilitating effects. Steve Hilton reflects on the role his mother played in this program:

As often happens, the suffering of a loved one opens the hearts of family members serving on a foundation board to the plight of all other families who also have a loved one struggling with the same disability....Out of compassion and love for Marilyn Hilton, as well as concern for millions of others suffering from multiple sclerosis throughout the world, the Conrad N. Hilton Foundation has been a strong supporter of efforts to find a cure for MS together with efforts to provide direct assistance.

RECENT GRANTS INCLUDE \$3.2 million to the Mayo Foundation to study myelin repair in patients with MS. The Foundation has also supported research at two other leading-edge biomedical research centers—the University of California at Los Angeles and at the University of Southern California.

ANOTHER LONG-TIME GRANTEE is the National Multiple Sclerosis Society, which the Foundation has

increasingly viewed as an effective agent for advancing research, offering education, furthering advocacy, and providing care. Founded in 1946, the National MS Society is the world's largest private funder of MS research, soliciting and supporting investigator-initiated research from scientists and academic institutions throughout the world. In addition, its 50-state network of chapters serves people who live with MS, their family members, and professionals in the field.

In particular, the Foundation has supported the pioneering programs and services of the Society's Southern California Chapter. The Chapter's efforts include addressing complex employment issues to help people with MS stay in the workforce, increasing services to underserved geographic regions, and launching a continuum of care initiative aimed at the long-term care needs of individuals experiencing disease progression.

A CORNERSTONE TO THE CONTINUUM OF CARE INITIATIVE was the creation of The Marilyn Hilton MS Achievement Center at UCLA, a partnership between the UCLA Department of Neurology and the Southern California Chapter of the National Multiple Sclerosis Society. Developed with Foundation support beginning in 2000, the Center provides comprehensive wellness services for people with MS of varying levels of independence and abilities. The program and its

‘I Couldn’t Face My Illness Myself...’

The Living Well Program provided me with a safe environment in which to discuss and learn about MS while maintaining anonymity. This was a huge issue for me, because I couldn’t face my illness myself, so I did not feel comfortable disclosing it to anyone unless absolutely necessary. It also got me into a routine and helped me to implement changes to my lifestyle to help me manage my symptoms, as well as have a better feeling of control over my life. R.M.

Living Life with Optimism

Living Well should really be called ‘Living Again,’ at least for me. To have lived and experienced life as a sprinter, and to then learn that I had MS, felt like hitting a brick wall face first. In the past, pitfalls and mistakes in life inspired me to excel. Once diagnosed with MS, I felt there was no place to go but down. I felt as though the heyday of my life was behind me, just as my life began to unfold. I gave up. The biggest lifestyle change was owning the present and living life with optimism again. M.T.

Providing a Road Map for the Future

Such a program [as Living Well] is all too rare, but I think it should be a prototype in mainstream medicine. The staff are passionate that tending daily to one’s physical and emotional health can dramatically improve the experience and even progression of this illness, and they’re enormously creative and persistent in figuring out ways for MS patients to do that. I’ve changed how I exercise, and how I plan and schedule, and I am much more attuned to what symptoms do and don’t mean. I’m more knowledgeable and more confident about the future, and I’m secure in knowing that I have a place to turn to for help. J.P.

members benefit from the synergistic collaboration: UCLA experts in medical management of the disease team with Chapter specialists to enhance the physical, mental, social, and spiritual health of members.

The Center’s philosophy is that people with MS can be empowered to take control of their health and well-being with the help of educational and experiential programs. This philosophy is apparent in the names chosen for two of the Center’s programs, REACH to Achieve and Living Well.

The Center helps members to overcome daily challenges and achieve personal goals despite the unpredictability of MS. The spectrum of services includes physical wellness (customized and group fitness activities, including yoga), emotional wellness (art therapy, support groups), recreation wellness (music therapy, journaling), and health education (sharing of knowledge by in-house and guest experts). Services are tailored to the individual needs of each participant in a friendly and supportive environment that embraces the whole family. An online version of a course for those newly diagnosed is reaching people living in communities where such expertise might not otherwise be available. The Center is serving as a flagship model for developing effective methods of program delivery that are already being replicated elsewhere. The Center was showcased at the National MS Society’s first National Long-Term



Care Caucus, which brought together MS Society personnel to share best practices.

CONRAD HILTON—THE ETERNAL OPTIMIST, the never-give-up entrepreneur—would have saluted his daughter-in-law for her courage and resolve. The Foundation leadership and Board believe that he would have approved of the Foundation’s determination to support research in this disease and care for those suffering from it.

Toward the end of her life, Marilyn Hilton needed a wheelchair and other help getting around. In 2004, when she passed away at the age of 76 due to compli-

cations from MS, Steve Hilton said of his mother: “Her philosophy was, ‘You don’t look back at what might have been. You accept what life has presented and make the best of what you have.’” ■





◀ (FAR LEFT)
Conrad N. Hilton College
of Hotel and Restaurant
Management, University
of Houston

◀
The Culinary Institute
of America

Giving Back to the Hospitality Industry

HISSING STEAM, BELCHING SMOKE, ITS CLANGING BELL warning stand clear, the great steam locomotive ground and screeched to a halt at the prairie station in San Antonio, Territory of New Mexico. Barking dogs and boys in caps ran among passengers arriving and departing, but two boys were on a mission. Teenage Conrad and his brother Carl met every incoming train—at midnight, 3:00 a.m., or high noon—searching for arrivals who might need a room with a good home-cooked meal for \$2.50 a night. Their parents, strapped for cash, had opened rooms at their home for travelers. From this simple beginning, Conrad Hilton rose to build the largest hospitality enterprise the world had ever seen.

WHILE CONRAD LEARNED FROM PERSONAL EXPERIENCE, today people aspiring to careers in hotel and restaurant management can study at the college level, develop a sense of career direction, and find help in locating jobs. Four decades of support from the Hilton Foundation have provided top-quality education in the hospitality industry.

Support of professional hospitality education honors Conrad Hilton's legacy of excellence and pays tribute to the industry he and his family have so greatly influenced.

At a dinner given in his honor in 1969, Conrad Hilton explained why he had founded the Conrad N. Hilton School (now College) of Hotel and Restaurant Management at the University of Houston. With a salute to the city's NASA Manned Spacecraft Center (now known as Johnson Space Center), home of the just-completed Apollo Moon Mission, he said he was:

...proud of the hotel industry as an industry in the American scene and across the world....And for me, the promise of hotels as an industry is far beyond the horizon of the Moon. That is why I am making this gift to the University: to see that there are young men and women prepared to reach that horizon and beyond.

Throughout his life, Conrad continued to express a sense of duty to meet the rising demand for trained professionals to manage the growing and increasingly complex hospitality industry. He always took great personal pride in his profession, and was a masterful hotelier, perhaps the greatest of the 20th century. Dedication to, and even delight in, personal hospitality were at the core of his being.

Conrad both developed a global network of world-class hotels and established standards of quality for the entire hospitality industry. Fittingly, Hilton Foundation and Hilton Fund support of professional hospitality education honors Conrad Hilton's legacy of excellence and pays tribute to the industry he and

his family have so greatly influenced. The Board of Directors remains aware today that the bulk of the Foundation's and Fund's resources is the direct result of the financial success of Hilton Hotels Corporation.

ORIGINS OF THE CONRAD N. HILTON COLLEGE OF HOTEL AND RESTAURANT MANAGEMENT

at the University of Houston can be traced to the 1960s, when Dr. James C. Taylor, who would become the school's first dean, presented Conrad Hilton's youngest son, Eric, with plans and blueprints for a hospitality college to be located at the University of Houston. Eric liked the idea and talked it over with his brother, Barron. The two sons presented the idea to their father, who enthusiastically endorsed it and pledged \$1.5 million over six years to launch the program. Classes began in 1969 with an enrollment of 39 undergraduates.

Texas offered a logical and even nostalgic home for the program. As Texas-born Barron observed in 1983, Texas was "the state where my father's dreams were born." Conrad Hilton had bought his first hotel in Cisco, Texas, and determined "to see the Lone Star State wearing a chain of Hilton Hotels," he went on to buy and build Hilton Hotels throughout the state. His father "knew that hoteling is a people business and the secret to good people is good training." Conrad Hilton felt that a hotel has powerful social implications as a central place



Hilton College Grad Finds Calling

Nick Massad Jr. '73 was working as a bellman at a hotel in Arlington, Texas, when he first heard of the Hilton College at the University of Houston. Upon his release from active duty in the National Guard, he enrolled at the College. A professor suggested he apply to be food and beverage manager at a hotel in Dallas, where he not only won the job but also the heart of a lovely young woman, Vicki, also employed by the hotel chain. The couple worked hard, learned the hotel business, and in 1991, purchased a hotel management company. Their three children all graduated from the Hilton College and opted for careers in the hospitality industry. In 2007, the Massad Family gifted their alma mater \$1.5 million to renovate and update the College's Library and Hospitality Archives, mirroring the size of Conrad Hilton's initial gift.

An Energetic Young Woman Starts Her Career

Kanwal Kabiruddin '06 moved to Houston from Karachi, Pakistan, when she was eight. As a high school senior she interned at a hotel. "You never think about all the work that goes into running a hotel or restaurant," she says. "From my internship, I realized I could have a career in this industry. There was something to learn every day." Her parents' degrees were not accepted in America and they struggled to make a life. To lift the financial burden from her family, Kanwal took on the sole responsibility of her college tuition and earned numerous scholarships, including a Conrad Hilton, Jr., full scholarship her freshman year, to cover all of her expenses. Kanwal graduated in 2006 and landed jobs at hotels first in Houston, then in Atlanta. She wants to establish a scholarship for young women at the College. "I want to give back to this College anything and everything I can."

in its community, a place where people of all persuasions could meet, mingle, do business, and exchange ideas. Management of hotels, Conrad Hilton predicted in his prescient 1969 address, would become increasingly intertwined with different cultures of the world:

For the next hundred years, hotels must be manned and managed by men and women of greater vision, broader cultural horizons, and deeper insights of leadership than any hotelmen in history. If the men who come out of the Hilton School of Hotel and Restaurant Management here are going to be good hotelmen, if they are going to be successful innkeepers, they must accept a new responsibility to the community and to the nation beyond anything that has been asked of hotelmen over the centuries. They must know the cultural significance of metropolitan and even cosmopolitan hotels in the modern world.

OFFERING BACHELOR'S AND MASTER'S

DEGREES, today the College enrolls a vital community of nearly 1,000 American and international students. Students learn through both hands-on experience in the on-campus Hilton University of Houston Hotel and Conference Center and from internships here and abroad. Graduates are recruited to work for major hospitality companies throughout the world.

Since 1969, the Hilton Foundation and the Hilton Fund have provided more than \$50 million to endow



chairs and a professorship, expand facilities, and provide operating and scholarship support as well as endowment funding. These efforts have enabled the Hilton College to rank consistently among the top hospitality management programs in the world. The Foundation has endowed the Conrad N. Hilton Chair, the Barron Hilton Distinguished Chair, the Eric Hilton Distinguished Chair, and the Donald Hubbs Professorship, all of which have attracted talented faculty members.

The Hilton College is also the repository of an extensive collection of Conrad Hilton's personal and business papers and memorabilia. Open to scholars, journalists, and students, these Hospitality Industry Archives also hold non-Hilton materials.

Eric Hilton has championed the Hilton College since its inception. As a member of the Dean's College Advisory Board, he has been honored with the Alumni President's Award and holds an honorary Doctor of Humane Letters degree from the University of Houston. In 2006, Eric was inducted into the College's Hospitality

Industry Hall of Honor (joining Conrad and Barron Hilton), established in 1995 to recognize those leaders in the hospitality industry who have made extraordinary contributions to American business, international business, and society. In 1999, the Eric Hilton Distinguished Chair Alumni Series (a lecture series) was created to recognize Eric Hilton further for his contributions to the College.

THE LION'S SHARE OF FOUNDATION SUPPORT for hospitality education has gone to the Hilton College. Board members want to ensure opportunities for students at other institutions as well, however, and, on occasion, have chosen to underwrite scholarships and endow academic resources at several other institutions.

As early as 1970, the Foundation supported The Culinary Institute of America (CIA), a college dedicated to providing the world's best culinary education. Grants supported The CIA's relocation from New Haven, Connecticut, to Hyde Park, New York,



Inspiring Generations of CIA Students to Lead the Industry

As non-traditional students at The Culinary Institute of America from 1995 to 1997, my classmates and I gathered in the library to immerse ourselves in the world of food. Portraits and quotes from industry legends offered inspiration and encouragement to each of us—the aspiring, passionate chefs and bakers of tomorrow. Studying under the Hilton name created an energy that continues to drive students to study longer, work harder, and dream bigger. Today, as executive director of alumni relations, I can attest with certainty that the library's influence on students' educations remains consistent today. Students still gather as I did by the library's fireplace or in its study rooms to take comfort in books and absorb knowledge that promises future success.

Steven Swofford '97

and its construction of a continuing education center. The Foundation went on to play a leadership role in constructing and endowing the Conrad N. Hilton Library, which houses the largest private collection of culinary publications in the Nation other than the Library of Congress and provides a quiet sanctuary where students can escape the bustle of the kitchens. The Foundation has also awarded scholarship support for CIA students who demonstrate financial need, especially those from inner-city homes.

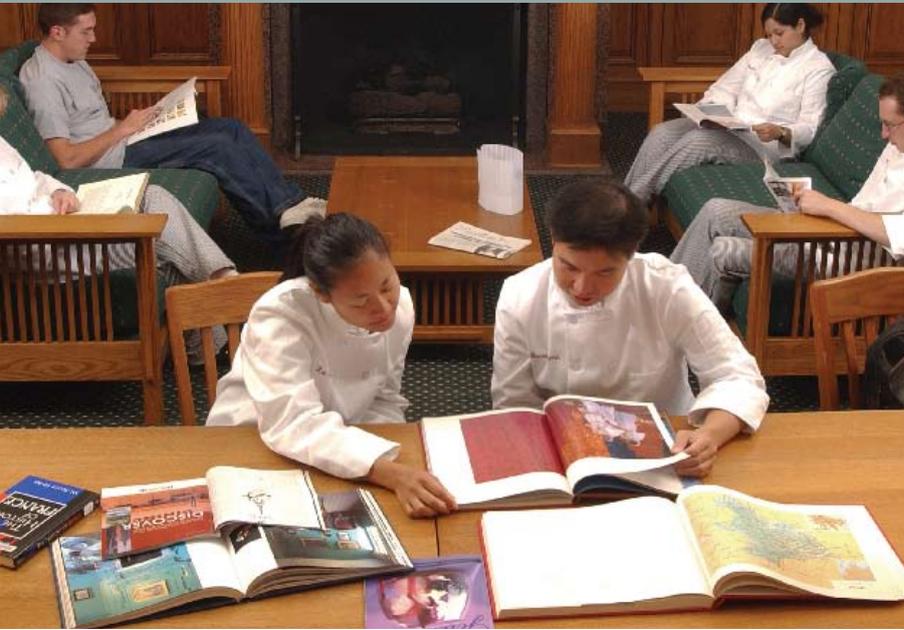
The Board has voted direct support for hospitality education programs in Alaska, California, Colorado, Florida, Hawaii, Illinois, Louisiana, Michigan, New Hampshire, New York, Texas, and Washington, DC. Within the School of Hotel, Restaurant, and Tourism Management at the University of Denver, the Board established and endowed the Barron Hilton Chair of Lodging Management in recognition of Barron's significant contributions to the industry. In 2008, the Foundation awarded substantial challenge grants for

Preparing People with Disabilities for Hotel Employment

Two of the largest funding programs of the Hilton Foundation are blindness and hotel and restaurant management education. Grants made to the Elizabeth Pierce Olmsted, M.D. Center for the Visually Impaired in Buffalo, New York, have brought these two programs together in a confluence of purposes. Grants support a training course for blind students to learn job skills in the hospitality industry. The grants also reflect Conrad's values in that, by supporting individual self-sufficiency, it alleviates discrimination and suffering of people who might find themselves isolated and unproductive.

Conrad Hilton made Hilton Hotels among the first hotel chains to hire persons with disabilities. Speaking to The National Society for Crippled Children and Adults, held at the Palmer House in Chicago on November 13, 1953, Conrad had this to say:

The Hilton Hotels Corporation and I, personally, have been interested and have participated in hiring the physically handicapped for almost ten years now....I will not tolerate their being treated as "different." They belong to our Hilton Corporation, they are getting their job done; we are happy to have them with us.



hospitality education programs at DePaul University in Chicago and the University of Hawaii.

HILTON FOUNDATION-SUPPORTED HOSPITALITY EDUCATION PROGRAMS prepare students not only to earn a livelihood, but also to aspire to excellence, leadership, and professionalism in their chosen careers. As such, these programs serve as a fitting and enduring tribute to the "Innkeeper to the World," a tribute that now extends to his sons Barron and Eric. ■





◀ Barron Hilton

◀ (FAR LEFT)
Spirit of Life® sculpture and fountain gracing the entrance to City of Hope

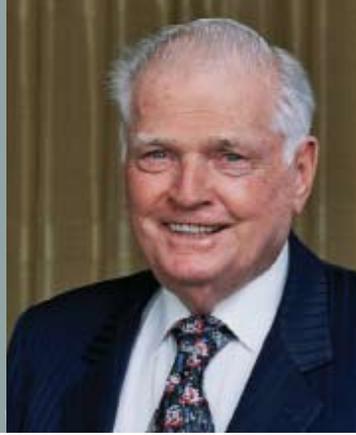
Nourishing the Body, Mind, and Spirit

The brief profiles in this section illustrate the flexibility that the Hilton Foundation retains in its grantmaking. Several showcase causes personally championed by Conrad Hilton's sons, while others reflect the Founder's legacy of entrepreneurship, his concern for the less fortunate, and his dedication to the well-being of the Roman Catholic Church.

Nurturing the Spirit of Life at City of Hope

DEDICATED TO THE PREVENTION, TREATMENT, AND CURE OF CANCER and other life-threatening illnesses, City of Hope in Duarte, California, is driven by its history of compassion and understanding that patients urgently need better treatments. Hilton family and Foundation support spanning more than 50 years has enabled this biomedical research and treatment center to expand its facilities and programs. Of particular note was Foundation Chairman Barron Hilton's key role in annually staging the Victor Awards, a star-studded event that raised awareness and funds for City of Hope for nearly 40 years.

Eric M. Hilton



Hilton contributions are furthering City of Hope’s mission in these important ways. An advanced molecular research program conducted in the Conrad Hilton Research Building is developing more effective and less toxic treatments for cancer. At a state-of-the-art hospital, immune-compromised patients are cared for in an environment that enhances collaboration among physicians, caregivers, and researchers. The most recent grant will enable City of Hope to enlarge its blood collection, analysis, processing, and transfusion programs, which support a variety of cancer treatments.

“The Hilton family appreciates the tireless work of the dedicated investigators, practitioners, and caregivers at City of Hope,” Barron Hilton says. “We are privileged to be among their many long-time supporters.” ■

Feeding Hungry People Amidst Plenty

THE PARADOX—HUNGER AMIDST PLENTY—was more than one man could tolerate, so he did something about it. Watching television late one night, Foundation Director Eric Hilton learned that a local nonprofit agency serving 300,000 meals a year to hungry poor people in Las Vegas was closing for lack of funding.

“It just didn’t seem right in Las Vegas, where so many people come to have a good time, and money and food are plentiful, that people were going hungry,”

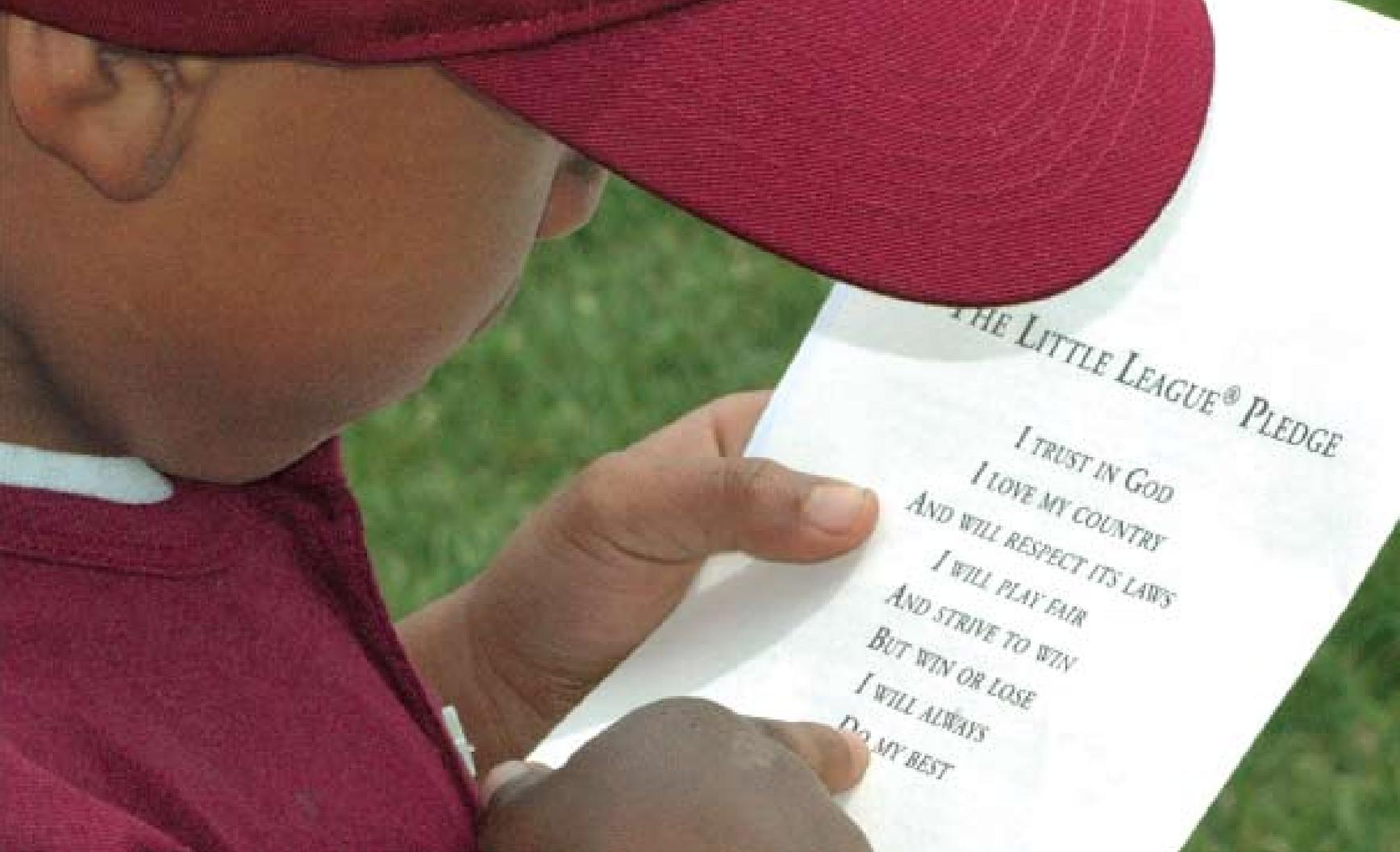
Eric would recall. The next day, Eric called the Hilton Foundation, and shortly thereafter the Foundation Board funded a study that revealed increasing food needs in the rapidly growing Las Vegas area.

Eric went to work, calling on Las Vegas business and civic leaders, gathering support for a collaborative solution that grew to include casinos, the University of Nevada, Las Vegas, Clark County School District, hotels, restaurants, food distributors, local government, the media, and numerous other organizations. A 2006 Hilton Foundation grant was instrumental in launching Three Square, a nonprofit organization that collects and distributes food and healthy meals to nonprofit food-serving agencies in Southern Nevada. The Foundation’s subsequent program-related investment loan, in concert with support from the community, enabled the organization to purchase a warehouse for future expansion.

“None of this would have happened without Eric,” observes Julie Murray, chief executive officer of Three Square. “He saw a need and he decided to do something about it. He’s an example for all of us of what one inspired person can accomplish.” ■

Building Ball Fields and Teamwork

LITTLE LEAGUE INTERNATIONAL today is an international organization of almost 200,000 teams in



every state in this Nation and some 80 foreign countries. Eric Hilton is a keen fan of Little League, combining his love of baseball—at age 18 he was offered a pro contract as a promising left-handed pitcher—and philanthropy. He has coached his son’s Little League team. He has helped to build Little League baseball as a Trustee of the Little League Foundation for three decades.

Eric Hilton has also been the catalyst for Hilton Foundation contributions to Little League to build fully equipped ball fields in neighborhoods with high concentrations of disadvantaged and at-risk children. Little League used a Foundation grant, for example, for its Urban Initiative to develop playing fields in Chicago and Houston and start work on fields in three other cities.

Little League has recognized Eric Hilton’s service by awarding him its Peter O’Malley Little League Distinguished Ambassador Award. Eric’s “personal commitment to the Little League Urban Initiative is unmatched,” says Little League International President and Chief Executive Officer Stephen D. Keener. “Eric

has never failed to step up when called upon.” Eric personally follows progress with Foundation-sponsored fields and leads Board discussions of the program.

In the aftermath of the 1992 riots in South Central Los Angeles, the Foundation awarded a grant that built a ballpark there as part of the Rebuild L.A. effort. The Foundation acted in response to views expressed by residents of that area about the need for more recreational activities for young people. The dedication of that field, named for Conrad Hilton, was exciting for the neighborhood; speakers included Mayor Richard J. Riordan and Los Angeles Dodgers great Don Newcombe. Foundation President Steve Hilton spoke words that his grandfather might have uttered: “It is our hope that baseball will help develop in the boys and girls who play here those qualities that are critical to success in any career—teamwork, discipline, respect for each other, and a wholesome, competitive spirit. More importantly, to the dads and moms who will cheer on the sidelines and the boys and girls who will play baseball on this field—*have fun!*” ■

LMU student Jessica Viramontes
in Guatemala



Educating in an Ethical Context

FOUNDATION SUPPORT OF LOYOLA MARYMOUNT UNIVERSITY in Los Angeles reflects Conrad Hilton's desire for education that "trains and forms the whole man, not just part of the man." LMU is a Jesuit-founded Catholic coeducational institution that emphasizes values-centered education. Foundation grants have enabled LMU to construct the Conrad N. Hilton Center for Business as a new home building for LMU's College of Business Administration, and endowed two Chairs in the College.

The holder of the Conrad N. Hilton Chair of Entrepreneurship is expected to motivate and inspire the entrepreneurial leaders of tomorrow, while placing their professional and personal decisions within an ethical context. The Conrad N. Hilton Chair of Business Ethics achieved a long-time goal of the College to make available to students an expert who could maintain a focus on ethical issues that relate to business. "Our business school graduates current and future executives who are innovative, principled leaders carrying with them a bottom line with a conscience," asserts John T. Wholihan, Ph.D., the College's dean from 1984 to 2007.

For students campus wide, the Foundation has created an endowment to support LMU's Center for

Dear Steve-

12-10-04

I wanted to personally thank you & the Board for your confidence in the Center for Service & Action when you initially came to LMU with an interest in promoting student volunteerism, we were a very small office with an equally small budget - but with BIG dreams!

Your initial grant allowed us to involve more students, in a deeper way, into a pattern of lifelong service. As our staff increased, so did our reach into the community, into LMU course curriculum & the world! Through the Foundation's generosity we are able to transform the hearts of our students & provide more opportunities to be in direct contact with the poor & marginalized.

This most recent MILLION DOLLAR grant ensures the continued success of the Center. In three short years, with the Foundation's support, we have become a sustainable program with potential for much growth. I am so grateful.

Jeff Schaffer has been amazing through this process. He knows what he needs for the reports & made sure I got that information to him. I have learned a great deal from him & his guidance has made me a better leader.

I look forward to sharing the good news of the Center for Service & Action's progress in the years to come.

In Gratitude,



Loyola Marymount University Center for Service and Action www.lmu.edu
Malone, One LMU Drive, MS 8450 Los Angeles, CA 90045-2659 (310) 338-2959 fax (310) 338-5853

Service and Action, which offers students opportunities to serve the underprivileged at home and abroad. "If you can inspire young people to be more engaged in charity," observes Steve Hilton, "then you're helping to promote alleviation of human suffering."

"It is important for us to be exposed to this, and even more important for us to bring it back," says Jessica Viramontes '04 of her service in Guatemala. "These are the kind of experiences that will shape our ideologies and forever touch our lives." ■



▲
Cathedral of Our Lady of
the Angels in Los Angeles,
California

Sustaining the Roman Catholic Faith

HIS ROMAN CATHOLIC FAITH

was bedrock for Conrad Hilton. He prayed for strength to meet life's travails and challenges. He viewed other religions with tolerance and respect, and directed his executives and managers worldwide to welcome guests of all faiths in Hilton Hotels. Although the Hilton Foundation has contributed to many religious faiths, it is deeply committed to support for Catholic institutions and causes. The Foundation and members of the Hilton family have for many years given directly to scores of Catholic schools, hospitals, churches, residences, social service programs, and retirement programs for elderly Religious. More recently, the Foundation has channeled much of its giving through the Conrad N. Hilton Fund for Sisters.

Among examples of this giving are Foundation grants to St. Paul Seminary, St. Paul, Minnesota, which

have strengthened the skills of vocation directors in recruiting men and women into religious life. Elsewhere, members of the Bannakaroli Brothers, an East African Order, received scholarships to study at Loyola University Chicago, enabling them to be entrusted with administering schools and social welfare organizations upon return to their home countries. "We are truly grateful to know them and experience their kindheartedness and humble servitude, as well as to learn about their unceasing work for the poor people of East Africa," comments one Loyola official. "It is clear that the fruits of these endeavors will be experienced for generations to come, and the implications for the future are multitudinous." Multiple grants for religious activities have been awarded to the Archdiocese of Los Angeles, Archdiocese of New York, Diocese of Las Vegas, and Diocese of Reno. A program-related investment helped to construct the magnificent Cathedral of Our Lady of the Angels in downtown Los Angeles. ■

Part V

Barron Hilton Steps Up as Chairman of the Board

cnhbf





◀ Barron and Conrad Hilton

REFLECTING ON THE GREAT ADVENTURE

THAT HAS BEEN HIS LIFE, Barron Hilton in his opening essay calls his father, Conrad N. Hilton, “a very capable man with extraordinary faith, vision, and determination.” These same words aptly describe Barron himself.

Barron Hilton’s accomplishments are numerous and exceptional: far-sighted entrepreneur, founder of successful businesses, CEO of Hilton Hotels Corporation during three decades of dramatic growth and expansion. Recognized and respected as an aviator of distinction, in his 80s he still flies many types of single and twin-engine aircraft, helicopters, and gliders, and is an accomplished balloonist. He created, and continues personally to support, the most coveted prize in international glider competition. Additional pastimes include hunting, fishing, and photography. Father of eight and a philanthropist, he is a fabulous raconteur and stimulating to be around.

Now largely retired from the fast-paced life as an international corporate executive, Barron has accepted the chairmanship of the Conrad N. Hilton Foundation. His leadership, together with his contributions of substantial financial resources, will enable the Foundation to increase its impact.

Barron Hilton, Leading Benefactor of Sport Aviation

Aviation has played a central role in Barron's life. As a youngster, he often rode his bicycle from his home in Dallas to nearby Love Field, where he was mesmerized by the constant take-offs and landings. During his Navy service in World War II, he took private flying lessons and earned his single-engine license. At age 19, he earned his twin-engine rating.

His generosity and involvement have been recognized by a number of aviation organizations. Since 1980, glider pilots from around the world have competed for the Barron Hilton Cup and a unique prize—a week-long soaring camp at his Flying M Ranch in Nevada. Barron has sponsored several efforts to fly nonstop around the world in a balloon. He is a longtime supporter of the Experimental Aircraft Association's Young Eagles Program, which encourages aircraft owners to give rides to youngsters to introduce them to the thrill of flight.



WILLIAM BARRON HILTON was born on October 23, 1927, the second of Conrad Hilton's three sons. While still a teenager, he began his career as an hotelier at the El Paso Hilton, working as a doorman and in the engineering department. During World War II, he volunteered for the Navy as soon as he was old enough—17—and was assigned to Pearl Harbor. The Navy trained him to be a photographer, and he took flying lessons on his own.

After the war, Conrad Hilton offered his son a job with Hilton Hotels Corporation, but Barron instead embarked on his own career as an entrepreneur. Blessed with his father's talent for business and skill in mathematics as well as an ability to negotiate, Barron launched into a hugely successful business career. He invested in an oil production business, purchased the Los Angeles distributorship of citrus processor Vita-Pakt, and formed Air Finance Corporation, becoming one of the industry's first aircraft leasing operators. In 1954, he was elected a vice president of Hilton Hotels Corporation while continuing to maintain his other business interests. In 1960, he became managing partner of the Los Angeles Chargers professional football team, moving the team to San Diego a year later, and co-founded the American Football League. Together with other American and National Football League owners, he helped to forge an agreement that led to the



merger of the National and American Football Leagues and later the creation of the world-famous Super Bowl.

A HIGHLY SUCCESSFUL ENTREPRENEUR,

Barron was, in 1966, persuaded by the Hilton Hotels Corporation Board of Directors to succeed his father as president. When Barron became president and CEO, the company had 50 hotels with 28,500 rooms and five hotels under construction. With Conrad remaining as chairman, Barron made far-sighted strategic moves that boosted revenues and profits. “Barron took a very fine company in Hilton and developed it into one of the truly great hotel companies of the world,” observes Bill

Marriott, chairman and CEO of Marriott International. “The thing about Barron is that he was already a great businessman before he got into the hotel business.”

Barron originated the idea of expanding Hilton Hotels Corporation’s credit card operation into the universal Carte Blanche credit card system, and was instrumental in developing the Hilton Inns franchise. He led the way when in 1971 Hilton Hotels Corporation became the first New York Stock Exchange company to enter the gaming industry. Following Hilton’s involvement in the Las Vegas market, it offered mega-jackpots through its famous Pot o’ Gold slot machines and featured entertainers such as Elvis Presley.

“I believe that my grandfather’s and father’s entrepreneurial approach to business can be applied to the work of the Foundation.”

STEVEN M. HILTON

Barron will also be remembered as a catalyst in making Las Vegas a destination for national conventions.

During his three decades at the company’s helm—in spite of the cyclical expansion and contraction in the economy, and ever-increasing competition around the world—Barron Hilton maintained an extraordinary record of success. The revenue and profits generated for his shareholders produced a compounded annual growth rate (including dividends) of 15 percent. He became well known as a fiscal conservative; throughout the 30 years he served as president and CEO, the company carried little debt and maintained the strongest balance sheet in the industry.

In 1996, Barron handpicked his successor and, with the approval of the company’s Directors, turned the reins of Hilton Hotels Corporation over to Stephen F. Bollenbach. While retaining his role as chairman, Barron forged a close working relationship with his new CEO, lasting for more than 11 years. The first major move they orchestrated was the acquisition of the Promus Hotel Company with its many brands, such as Doubletree, Hampton Inns, and Embassy Suites. Then, in 2005, Hilton Hotels reacquired the Hilton International company, which had been spun off in 1964. The reunification of Hilton and Hilton International once again made the company one of lodging’s global giants.

In 2007, Hilton Hotels Corporation—by then with close to 3,000 hotels and 490,000 rooms located in 76

countries and territories—was acquired by the private equity firm of Blackstone Group, L.P.

Barron’s leadership at Hilton Hotels had become the stuff of legend. “Barron Hilton is really a fantastic leader, and he leads by example,” observes Steve Bollenbach. “He is reluctant to take credit for his own achievements. He’s often eager to reward other people with the glory that really belongs to him.”

Adds a long-time friend: “His spirit, his commitment, his knowledge, his common sense, his desire for adventure, and his willingness to take a risk would all have probably made him a model moonwalker, the model astronaut.” The friend is Captain Eugene Cernan (USN, Ret.), spacecraft commander of Apollo 17 and the last man to walk on the Moon. He goes on to say that Barron pursues his passions “like a youngster, with the same vigor that he has met all the challenges throughout his lifetime.”

A close business associate summed up Barron’s essential qualities as these: He sees the big picture, manages by delegation, possesses an extremely sharp financial mind, negotiates superbly, has excellent business instincts, and enjoys a promotional flair. A visitor first meeting Barron Hilton encounters a man who listens closely, observes keenly, withholds judgment, asks questions, thinks things through, and then speaks clearly, simply, and decisively.

ONE OF THE MOST PRECIOUS GIFTS TO

BARRON HILTON'S LIFE was Marilyn (Hawley)

Hilton, whom he married when he was 19. She was his ideal counterpart: polite where he was direct, focused where he was multitasking, patient where he was raring to go. In addition to seeing their eight children through their formative years, Marilyn also devoted her energies to a number of charitable organizations. She radiated a positive attitude while courageously coping with multiple sclerosis for decades. Her loss in 2004 has left a void in the Hilton family. Barron's devotion to her is manifested in The Marilyn Hilton MS Achievement Center at UCLA. (For an account of Marilyn's experience with MS, please see "Toward a World Free of Multiple Sclerosis," page 106.)

Barron has always found comfort in the warm embrace of his family, his friends, and his faith. He is a Magisterial Knight of the Sovereign Military Order of Malta. In 1998, Pope John Paul II granted Barron admission into the Pontifical Order of Saint Gregory the Great, in acknowledgment of his meritorious service to the Church.

ONE OF BARRON HILTON'S IDEAS OF A DAY

WELL SPENT is to take the co-pilot's seat when the Make-a-Wish Foundation sponsors airplane rides for children with life-threatening medical conditions at

Like Father, Like Son

Paying tribute to son Steve's 25 years of service to the Foundation at the May 2008 Board retreat, Barron shared with Steve and the Board how, toward the end of his father's life, Conrad told him that he had done a good job in running Hilton Hotels Corporation and was very proud of him. This tribute meant the world to him, Barron said.

Then, Barron thanked Steve for his service to and leadership of the Foundation and for his stewardship of the Conrad Hilton philanthropic legacy. Barron said that he, in turn, was very proud of his son. Steve, in reply, said Barron's tribute meant the world to him.



the Experimental Aircraft Association's Air Show in Oshkosh, Wisconsin, each year. The pilot is Barron's long-time friend, Air Force General Chuck Yeager, world-famous as the first man to break the sound barrier. Barron doubles as photographer, providing the children with a keepsake of their adventure.

Such a moment captures only the smallest glimpse of Barron Hilton. After a lifetime of outstanding success in business, aviation, and philanthropy, a lifetime spent building upon Hilton family traditions, he is now focusing his intellect, integrity, and leadership on providing service to others. As the Foundation's chairman, Barron can be expected to encourage the Foundation's Officers, Directors, staff, and grantees to think big and act big, but act with prudence.

Barron has championed Foundation funding in many areas, including medical research and patient care at City of Hope in Duarte, California. He personally participated in the Victor Awards—an event that was held annually for nearly 40 years at the Las Vegas

Hilton honoring top athletes and others affiliated with sports—with all proceeds going to City of Hope. (For a profile of Hilton family and Foundation support of City of Hope, please see "Nurturing the Spirit of Life at City of Hope," page 119.)

In recognition of Barron Hilton's passion for aviation, the Foundation has donated in excess of \$13 million to the Smithsonian Institution's National Air and Space Museum. The Museum is located on the National Mall in Washington, DC, with a companion facility near Washington Dulles International Airport. A \$10 million grant established the Barron Hilton Endowed Fund to upgrade and maintain the popular Pioneers of Flight gallery, which the Museum has named in Barron's honor. Featured in this space are historic airplanes and artifacts that tell the story of the courage, intelligence, and determination of those individuals who claim a place in aviation history. The endowment also sparked the creation of Flights of Fancy, a new early childhood education program designed to introduce children to

◀
Flights of Fancy program at
the Smithsonian Institution's
National Air and Space Museum

the history and science of air travel. The endeavor was designed with the hope that future generations of young people will let their own dreams soar to new heights.

LIKE HIS FATHER, Barron expresses his faith in part through good works. Like his father, he demonstrates his belief that the most virtuous use of his wealth is philanthropy. He makes it clear that the Foundation should always continue to be guided by the Founder's Last Will. He looks forward to Foundation programs that will enable countless numbers of people throughout the world to restore and renew their lives. With his son, Steve, other family members, and the Foundation Board, Barron Hilton is committed to ensuring that the touch of Hilton humanity will be felt around the globe.

As he enters his ninth decade, Barron Hilton is proud that the work of the Foundation will continue in perpetuity—with governance and oversight by the family. He can look back on a life of grand accomplishment and peer over the horizon to a future filled with potential. ■

How the Conrad N. Hilton Foundation Has Matured

Philanthropic institutions are born, grow, and mature in stages similar to the natural life cycle, observes Patrick J. Modugno, vice president-administration and chief financial officer. From its birth in 1944 through the death of Conrad Hilton in 1979, the Foundation can be viewed as moving from infancy through early childhood. The years that followed through 1989, the decade of litigation, were spent preparing for faster growth in adolescence.

Guided by Don Hubbs and later by Steve Hilton, the Foundation after 1989 moved steadily through adolescence to adulthood, reaching full maturity when Barron Hilton assumed the Board chairmanship in 2007. Coinciding with this institutional maturity was the addition of capital from Barron's gifts and from the sale of the Hilton Hotels Corporation, and the combining, in 2009, of the Conrad N. Hilton Foundation and the Conrad N. Hilton Fund. A symbol of institutional maturity is the new Foundation campus to be built in Agoura Hills, California.

With experience gained and lessons learned, the Foundation will continue to carry out the charitable mission of its two donors as a mature philanthropic entity serving the needs of the less fortunate well into the future.

| FISCAL YEARS | TOTAL GRANTS PAID |
|--------------|-------------------|
| 1944-1979 | \$ 7.6 million |
| 1980-1989 | \$ 58.3 million |
| 1990-2008 | \$588.8 million |
| Total | \$654.7 million |

The Chairman Puts Forth Lessons Learned

“PERSPECTIVE COMES FROM EXPERIENCE,” Barron Hilton says, “and the ability to step back and look at the larger picture. This seems an appropriate time to share my perspectives as a Hilton Foundation Director for nearly 60 years, including a brief term as president, and now as chairman.”

“In this regard,” the chairman continues, “I sometimes remind our Directors, especially the younger Hilton family members on the Board, that were it not for Conrad Hilton’s success in building Hilton Hotels, the Foundation would not even exist. I learned many important lessons, both from my father and as a result of my own experiences as CEO of Hilton Hotels Corporation for 30 years.”

“In 1966,” Barron observes, “the Board of Directors of Hilton Hotels asked me to join the company as president, thus allowing me to lead the company’s growth. It is now my wish to share some of these lessons, garnered over 50 years with the company, because they also apply to the conduct of the Foundation.” Here is the chairman’s list of Lessons Learned:

1. **GROWTH.** It is vitally important to invest the Foundation’s assets wisely to enable the endowment to grow. This will ensure that more people in need of assistance can receive help in the future.
2. **PARTNERSHIP.** In philanthropy, as in business, it is often helpful to seek partners who can join with you in supporting a worthy project. This provides additional leverage and spreads the risk for those initiatives that are more uncertain.
3. **SUSTAINABILITY.** In those instances in which the Hilton Foundation is the major contributor to a project, be mindful of the project’s longer-term sustainability beyond the term of Hilton Foundation support.
4. **BOLDNESS.** As my father set forth in his autobiography, *Be My Guest*, “Think Big. Act Big. Dream Big.” For example, in 1949 my father persuaded his corporate directors to expand Hilton Hotels overseas at a time when most Americans were cautious and content to operate their businesses within the confines of the

United States. Following my father’s lead, on several occasions during my tenure as president and CEO of Hilton Hotels, I made similar “big” decisions that expanded the company dramatically through franchising, innovative real estate partnerships, and time-share arrangements. We also became the first U.S. publicly traded hotel company to enter the casino industry, domestically and internationally. At one point, nearly 50 percent of Hilton Hotels’ entire profits came from our two casino properties in Las Vegas. Once again, the rewards proved well worth the risk. The lesson: In philanthropy as in business, there are times when one should take bold steps, always keeping in mind the risks of any new investment.

5. **EFFICIENCY.** It seems that many companies as well as foundations, add staff unnecessarily, thereby increasing operating costs. It is important to maintain a lean and highly competent staff at the Foundation, which results in a more efficient operation and maintains a lower overhead. The savings can then be directed toward charitable causes to help those most in need.

6. **ESPRIT DE CORPS.** My father not only excelled in making smart business deals and expanding globally, he also had the ability to create *esprit de corps* within Hilton Hotels. Throughout my tenure with Hilton, I made every effort to continue the same tradition. For example, corporate meetings were often held at my ranch to provide an ideal environment for key executives to know each other better and continuously exchange ideas. This philosophy has also been carried forward into the Hilton Foundation.

7. **INTEGRITY.** Of all the lessons I learned from my father, none was more important than his strong sense of integrity, and I have always strived to follow his example in my own life. Here, too, I believe there is a lesson for those associated with the Hilton Foundation. Be completely honest and morally transparent in all endeavors, for it is the right thing to do and provides a moral compass to guide decisions and daily activities.

Part VI
Reaching Over
the Horizon

cnhbf





A RISING MOMENTUM CAN BE SENSED at this juncture in the Foundation's evolution. Asset value increased markedly through the sale of Hilton Hotels Corporation and Harrah's Entertainment and will increase significantly yet again upon receipt of the proceeds of Barron Hilton's Charitable Remainder Unitrusts and personal estate. In anticipation of this growth, which will propel the Foundation far upward through the ranks of family foundations, the Foundation has taken action on several levels.

In 2006, Edmund J. Cain came on board as vice president-grant programs. His background includes 35 years of international humanitarian work at the United Nations and The Carter Center. Acting on Steve Hilton's directive to make the Foundation's grantmaking even more strategic, Ed initiated external evaluations of selected priority giving areas that went into far greater depth than all previous such exercises. This effort, which included updates to the Board over the course of a year, provided a solid basis as well as a springboard for the consequential Board retreat held in May 2008.

Daniele Pellegrini/The Image Bank/Getty Images

Future Directions

STRATEGIC INITIATIVES

Safe Water Development

Homelessness

Children

Substance Abuse

Catholic Sisters

MAJOR PROGRAMS

Blindness Prevention

Hotel and Restaurant Management Education

Multiple Sclerosis

Disaster Relief and Recovery

Catholic Schools

A Senior Staff Executive Points the Way

The challenge the Foundation faces in the future is to remain a learning organization that constantly reviews its practices while remaining faithful to values and principles that guide us. The Foundation will also need constantly to seek ways to maximize the social impact of our investments. This includes recognizing that a good strategy is essential to our effectiveness, and that our effectiveness will need to stand the scrutiny of objective measurement. By doing this, the Conrad N. Hilton Foundation's grants program will attain an even higher level of excellence.

Edmund J. Cain

Vice President-Grant Programs

“As an experienced foundation moving to the next level, the Conrad N. Hilton Foundation will build on its history of tackling big challenges.”

BARRON HILTON

THE RETREAT'S WATERSHED CHARACTER

was clear from the outset. Board members discussed grantmaking accomplishments and lessons learned as they assessed priorities and explored opportunities to increase impact. After acknowledging good works supported to date, facilitator Mark Kramer, founder and managing director of FSG Social Impact Advisors, challenged them to raise the bar by then adding “and you can do more.” After two days, the Directors reached consensus regarding the areas that will receive the majority of the Foundation's giving in the immediate future. “The task is not only remaining loyal to the donor's intent,” Foundation Director William Ouchi asserted later, “but also the more difficult task is keeping that core mission fresh and applicable to the world around us as that world continues to evolve.” Conrad Hilton had the foresight to provide for such latitude through the sweeping instructions in his Last Will.

The Board encourages Foundation staff to recommend use of philanthropic tools beyond grantmaking, including program-related investment loans, convenings, advocacy, and evaluation. The Foundation can play a leadership role by taking ownership of a problem by orchestrating solutions. In its approach, the Board retains its belief in selecting grantees with great care, and then developing



partnerships that draw on the strengths of all partners to increase the likelihood of success.

The Board recognizes that the increase in assets and programmatic activity will substantially increase the number of staff required, even as the Foundation continues its policy of lean staffing relative to its peers. “Fortunately all of this will not occur in a cascade,” comments Foundation Director James Galbraith. “There will be a blessed gradualism about the process.” Staff and support services have begun to be scaled up incrementally. Following a ten-year stint at the Yale University Investments Office working under the tutelage of David Swensen, Randy Kim joined the Foundation in 2008 as the Foundation’s first chief investment officer. Shortly thereafter, the Foundation hired its first human resources professional, Taryn Lee. Together with organizational advisor David E. Anderson, she is ensuring that the Foundation’s human resources management practices advance and sustain the organizational culture. “Cause-Focus, Innovative, Community, Passionately Engaged, and Learning” are among the cultural dimensions to which the Foundation aspires. Management will continue to think holistically about the interdependence of the Foundation’s culture, structure, strategy, and social impact. Board and staff will be inspired by the optimism forever exhibited by Conrad Hilton as they meet challenges posed by the global economic downturn.

THE TRANSITION FROM LEASED SPACE to its first permanent campus symbolizes the Foundation’s intention to continue on its charitable course for many years to come. The Foundation has purchased acreage in Agoura Hills in Southern California’s Santa Monica Mountains. It assembled experts from across the country to create inviting, light-filled offices and a conference center poised on the cutting edge of energy-efficient design in accordance with the U.S. Green Building Council’s LEED standards. Steve Hilton’s vision for the project is a campus that integrates with the landscape, uses resources thoughtfully, and serves as a model to others. The Foundation anticipates that such an environment will further stimulate *esprit de corps* among the staff as well as reinforce the five principal dimensions of the organizational culture.

“HUMANITARIANISM ON A GLOBAL SCALE” succinctly captures—in Barron Hilton’s words—the mission and worldwide operations of the Conrad N. Hilton Foundation and its related entities. These entities have contributed more than \$650 million to worthy causes, largely through a long-term, major project approach. That approach, advocated by Don Hubbs and adopted by the Board more than a quarter-century ago, has served the Foundation, its grantees, and the ultimate beneficiaries well. The Foundation

Assets/Expectancies of the Foundation and
Related Entities:

\$160 million: 1979 (at Conrad Hilton's death)

\$4 billion: 9/30/08



▲
Rendering of the Conrad N.
Hilton Foundation campus
in Agoura Hills, California

has distinguished itself, among many activities, in supporting the Catholic Sisters as an effective and efficient provider of services to those most in need; in spreading to scores of countries expertise in services for children who are blind with multiple disabilities; in educating youth nationwide on substance abuse; and in promoting partnerships among funders and grantees in areas such as family violence, homelessness, and providing access to safe water. In addition, the Foundation has been helping to prepare future generations of hospitality industry leadership.

The task is to continue translating a visionary legacy into practical and effective programs that benefit those in need. Even as the stories told in this celebratory book come to an end, new stories begin. “We are inspired,” comments Steve Hilton, “by the tremendous opportunity to ‘relieve the suffering, the distressed and the destitute,’ and will work hard to ensure that the mission of the Hilton Foundation stays true to the philanthropic legacy of Conrad and Barron Hilton.” ■

In Recognition of Those Who Have Helped

FAMILY STATEMENT

Value cannot be measured in endowments alone.

The Conrad N. Hilton Foundation would not be what it is today without the dedicated work of a legion of people. Much depends on the efforts of the individuals we honor in this writing. We take this opportunity to recognize and thank these people.

The Hilton Foundation, Hilton Fund, and Hilton Fund for Sisters have collectively supported humanitarian activities around the globe. This good work reflects the values and faith that guided the Foundation's Founder, Conrad Hilton—and continues to reflect the values and faith of the Hilton family today.

Those who have served as Officers and Directors have given the Hilton philanthropies vision, resolve, and common sense. Our family members have stepped forward to accept responsible roles in this governance. Our Founder's charitable goals are pursued with imagination and flexibility, just as we believe he would have wanted.

Those who have served as staff members, consultants, and informal advisors have brought dedication, perspective, and expertise. They have enabled the philanthropies to move ahead on a steady, focused, and vigorous course.

Our grantees do the hard labor of turning grant dollars into lives transformed. They link the philan-

thropies to the ultimate beneficiaries. Working tirelessly, often at risk for their comfort and sometimes for their personal safety, our grantees grace our efforts with their dedication and goodwill. We especially recognize the courageous Roman Catholic Sisters, who work to alleviate suffering around the world and whose selfless dedication inspires us all.

Finally, we give special recognition to Don Hubbs, our Foundation's devoted leader for so many years. Associated with the Foundation since 1969, Don played a pivotal role in articulating the philosophy, setting the direction, and building the major programs that constitute so much of the Foundation's core today.

We thank all of you for helping to build the Hilton philanthropies and working so hard to make a meaningful difference. We recognize your compassion and are grateful for your commitment. Because of our combined efforts, the Hilton philanthropies are better able to fulfill the humanitarian role envisioned by our Founder, and to carry on the charitable good works to which he dedicated his legacy.

We look to each of you to pass on to those who will yet be joining us your passion, your dedication, and your skills as our future becomes our reality.

Barron Hilton and Steven M. Hilton

Acknowledgments

The Chairman and Directors of the Conrad N. Hilton Foundation wish to thank all those who contributed to the creation of this book. The idea for this celebratory book came from Barron Hilton, who worked out the original concept with his son, Steve, and remained available for consultation. Steve guided development of outlines and drafts, the review process, photo selection, and design and distribution. While attentive to the history of the Founder, Foundation, and family, Steve kept the narrative focused on the main goal—philanthropic activities aimed at alleviating human suffering.

Marge Brownstein, assistant to the president-special projects, was responsible for all aspects of research, writing, editing, staff and grantee review, photo research, and management of design, production, and distribution. A long-time Foundation staff member, Marge mined the Hilton archives with great care, obtained useful accounts from family members and other sources worldwide, and rallied current and former Foundation staff and grantees to the labors of building this book. Marge worked tirelessly to bring to light this untold story.

Our writer, Joe Foote, drew on his years of experience with families in philanthropy to tell the Hilton family story in simple and vivid prose. His

immersion in the Hilton universe, and his sustained commitment to task, enabled him to capture the color, passion, and accomplishments that make up the Hilton legacy.

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For further information about the Conrad N. Hilton Foundation, please visit www.hiltonfoundation.org.

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